2025 Annual Report

Macquarie Group | Year ended 31 March 2025

Macquarie is a diversified financial services group providing clients with asset management, retail and business banking, wealth management, as well as advisory, and risk and capital solutions across debt, equity, financial markets and commodities.

2025 Annual General Meeting

Macquarie Group Limited's 2025 AGM will be held at 10:30am on Thursday, 24 July 2025.

Details of the meeting will be sent to shareholders separately.

Cover image

Farnborough Airport United Kingdom
Farnborough Airport is a key UK business aviation gateway. Since 2019, Macquarie Asset Management has supported Farnborough Airport's position as an important contributor to the national and regional economy, by delivering essential capacity enhancements, while reducing its environmental footprint.

National Gas, United Kingdom

Through its investment in National Gas, the owner and operator of the UK's 5,000-mile national gas transmission system, Macquarie Asset Management is supporting the safe, secure and reliable transportation of gas across Great Britain, while preparing the system to transport low-carbon gases in the future.

Macquarie Group Limited ABN 94 122 169 279

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About

Cleco Corporation, United States

Macquarie Asset Management is working with American utility company Cleco to strengthen its electricity transmission infrastructure, helping protect residents of Central Louisiana from power outages and meet the region’s growing power needs.

"In an increasingly complex global environment, Macquarie's operating businesses continue their focus on growing activities that have the potential of earning a higher risk-adjusted return on shareholders' capital over the longer term."

Letter from the Chair

Macquarie Group earned a profit of $A3,715 million in FY2025, up 5% on the previous year's result. Reflecting more subdued conditions in global energy and certain commodity markets, profits in Commodities and Global Markets were down, while they were up in Macquarie Asset Management due to improved asset realisations. Macquarie Capital's result was broadly in line with the prior year, while profits increased in Banking and Financial Services, helped by further growth in key portfolios. Shemara's letter gives more details of performance during the year.

The company earned a return on shareholders' funds of 11.2%, higher than the previous year, though lower than what Macquarie has typically achieved over the past decade. Management remains focused on costs and efficiency improvements, and this has seen a 7% reduction in the company's headcount since its peak in late 2023. The focus on remediation of regulatory issues, and associated strengthening of the company's risk culture also continues.

Macquarie's operating businesses continue to focus on growing activities with the potential of earning a higher risk-adjusted return on shareholders' capital over the longer term. Disciplined capital allocation is key, and Macquarie is willing not only to give priority to the most promising opportunities, but also to divest businesses that are no longer central to our strategy and/or whose prospects could be improved under alternative ownership. The past year has seen a few such transactions.

The FY2025 result was achieved against an increasingly complex global backdrop. The world economy has continued to expand, with the United States in particular recording faster growth than other advanced economies over recent years. Development of technology continues at speed, inflation has generally declined, and short-term interest rates have fallen, presenting opportunities.

At the same time, some important risks remain. Price stability is not assured, and tariffs, where implemented, will likely add new pressure to prices and economic growth. A year of consequential election outcomes, rising geopolitical tensions and ongoing military conflicts, together with high energy costs and other factors, have led to considerable shifts in public policy priorities, the global security situation and international relations. Not only are several jurisdictions recalibrating their decarbonisation plans, but freedom of trade in goods and services is under the most intense pressure for decades. Many established cross-border production structures are being challenged.

As a result, uncertainty about near-term economic prospects has increased considerably, and this is now being reflected in financial markets.

Longer term, measures to reorient supply chains for geostrategic reasons will add to costs. A build-up of defence capabilities will also have implications not only for public finances but for the allocation of productive resources, across many countries.

Risk management

Macquarie continues to adapt to this changing environment and is positioned to respond to emerging opportunities. As we do so, understanding and managing the associated risks, and ensuring that shareholders are properly compensated for bearing them, remains critical. Management continues to refine and strengthen the risk management framework, seeking to ensure that Macquarie's risk appetite is considered and well understood.

A core responsibility of the Board and Management is ensuring the highest standards of professional conduct across the organisation. We actively review and enhance our risk culture and risk management framework in response to changes in our business operations, outcomes of our oversight activities and the expectations of regulators and communities.

Where shortcomings are identified, the Board insists on accountability and seeks to incentivise future improvement. This was the approach adopted in response to the licence conditions imposed on Macquarie Bank by ASIC recently.

Board of Directors

There have been no changes to the Macquarie Group Board since my last letter to you. I am grateful that Jillian Broadbent, Philip Coffey and Michelle Hinchliffe have agreed to stand for re-election at the forthcoming Annual General Meeting. Each has the Board's unqualified support.

Capital and Dividends

The company ended FY2025 in a strong position, with the Bank Group posting a common equity tier 1 capital ratio of 12.8% on an APRA basis, and 17.6% on an internationally comparable Basel III basis. At the Macquarie Group level, the organisation had a comfortable surplus of capital above minimum requirements.

The Board resolved to pay a final dividend of $A3.90 per share, making for a total dividend of $A6.50 per share for the full year. This was in keeping with the Board's longstanding policy of paying between 50 and 70 per cent of earnings in dividends.

The on-market buy-back for Macquarie Group shares continues, with over $A1 billion returned to shareholders under this program. On 1 November 2024, the Board approved an extension of the program for a further 12 months, preserving flexibility to return capital to shareholders where we do not see clear opportunities to deploy that capital in a way that generates an appropriate return.

It remains for me to thank my colleagues on the Board, and the staff and Management of Macquarie, for their continuing efforts under demanding conditions.

Finally, your Directors thank you, the owners of Macquarie, for your ongoing support.

I look forward to seeing you at the Annual General Meeting in July.

Glenn Stevens AC
Independent Director and Chair

Sydney
9 May 2025

“Combining a deep understanding of the markets in which we operate with unique insights and expertise, our diversified portfolio of businesses continue to identify and realise opportunities that address unmet need in communities around the world.”

Letter from the
Managing Director and CEO

Against a backdrop of ongoing market and economic uncertainty, Macquarie’s client franchises remained resilient over the past year, delivering new business origination and underlying income growth that contributed to our 56th year of unbroken profitability.

Combining a deep understanding of the markets in which we operate with unique insights and expertise, our diversified portfolio of businesses continue to identify and realise opportunities that address unmet need in communities around the world.

Enabled by our culture, guided by our purpose and principles, and backed by our risk management framework, our people also supported clients in adapting to broad-based changes and capitalising on opportunities.

For the year ended 31 March 2025, Macquarie delivered a net profit after tax of $A3,715 million, up 5% on last year. Macquarie’s four operating groups maintain established, diverse income streams. Our most annuity-style sources of income, which arise from strong and established activities, driven by underlying client franchises, represented 54% of our net operating income. Our markets-facing income, which is strongly correlated with market conditions, represented 17% of our net operating income, given more subdued conditions across certain commodity markets. Our activities which contain both annuity-style and markets-facing characteristics accounted for 29% of our net operating income, supported by diversification of our portfolio and strength of our client base.

Banking and Financial Services (BFS) delivered a net profit contribution of $A1,380 million, up 11% from $A1,241 million in FY2024. Underpinned by its investment in digitalisation and automation, BFS continues to benefit from growth in its loan portfolio, which was partially offset by margin pressure from market dynamics.

Commodities and Global Markets (CGM) delivered a net profit contribution of $A2,829 million, down 12% from $A3,213 million in FY2024. With subdued conditions in certain commodity markets, CGM saw a reduced contribution from the Commodities business. This was partially offset by an increased contribution from Financial Markets with continued strong performance across major products and markets.

Macquarie Asset Management (MAM) delivered a net profit contribution of $A1,610 million, up 33% from $A1,208 million in FY2024. This was driven by higher performance fees and the gain on the sale of Macquarie Rotorcraft. Base fees were broadly in line with the prior year.

Macquarie Capital delivered a net profit contribution of $A1,043 million, broadly in line with $A1,051 million in FY2024. The result was driven by higher advisory and brokerage fee income and higher net interest income on the private credit portfolio in the current year, which was offset by lower investment-related income primarily driven by lower impairment reversals and higher funding costs reflecting growth in the equity investment portfolio.

This report provides examples of key areas of activity across Macquarie in FY2025, showcasing how, by empowering people to innovate and invest for a better future, our teams around the world continue to create value for our clients, communities, shareholders and each other.

A global business with regional expertise

Macquarie's long-term success has been driven by a clear strategy of diversification. Through patient, adjacent expansion, and by applying learnings and sharing expertise across geographies, we now operate in 31 markets around the world and continue to generate around two thirds of our income outside of Australia.

We commemorated key milestones across all regions in FY2025, including 30 years since we opened our offices in New York, Singapore, Beijing and Hong Kong; 25 years of operating in India, Japan, Korea and Brazil; and 20 years of activity in Spain, Taiwan and the Philippines.

Focused on markets with structural growth tailwinds, each of our international businesses have built deep local knowledge and enduring relationships with clients and communities. This positions them well to support national priorities and deliver sustainable economic development, as well as contributing to long-term growth.

Each region has strong leadership, overseen by locally based senior executives from across Macquarie who play a key role in developing and driving strategic and cross-divisional collaboration initiatives around clients and other stakeholders. During the year, Rachel Palmer, EMEA COO and Head of our Corporate Operations Group in the region, became our EMEA CEO, and Miki Edelman, a Senior Managing Director in Macquarie Capital, was named our next Head of the Americas. They join Verena Lim, Co-Head of APAC infrastructure in Macquarie Asset Management, who became Asia CEO in FY2022. I thank Paul Plewman and Shawn Lytle for their valuable and longstanding contributions as EMEA CEO and Head of the Americas, respectively.

In the US, we are building capacity and resilience in the nation's critical infrastructure, including through our ownership – on behalf of investors – of key port terminals, fibre and utility networks, and transportation and energy facilities. Our teams are delivering investment into the growth areas of critical mineral supply chains, digitalisation and private credit – key components of the US' economic growth trajectory. With our specialist commodities expertise, we are also helping ensure communities have reliable energy supplies. In Mexico, Chile and Brazil, we are supporting the development of new social infrastructure and providing tailored solutions across real estate, energy, commodities and financial services.

In EMEA, our teams are responding to growing demand for social infrastructure and building the energy systems of the future. This includes key road infrastructure in Italy and fibre broadband in rural areas across Spain; improving the resilience of digital networks in the Nordics; new affordable housing and electric vehicle charging in the UK; reduced-emissions real estate in the Netherlands; and recycling and waste-to-resource facilities in Ireland. We are also growing our mid-market direct lending franchise to support the growth of high-quality businesses and provide differentiated investment opportunities.

In Asia, we are helping countries meet the energy consumption, digital adoption and urbanisation demands arising from rapid economic development and population growth. This includes geothermal energy in the Philippines and a financing platform focused on accelerating large-scale adoption of electric vehicles in India. We are supporting digital connectivity through our management of a digital infrastructure platform in Southeast Asia and by providing funding for telecommunications infrastructure in Japan. Whilst in Korea, we are invested in the research and development and large-scale production of pharmaceuticals and other advanced healthcare solutions.

In ANZ, reflecting the accelerating pace of digitalisation and changing consumer behaviours, we are building a world-class, customer-led digital banking experience and providing commodities clients with a digital trading platform and real-time access to our global trading and hedging solutions. We are working with local data centre operators to grow their operations internationally; building the integrated fibre networks required to support a growing digital economy; delivering sustainable social infrastructure, such as accessible housing; and working with providers of critical connectivity, such as airports, to fund the replacement of ageing infrastructure and strengthen resilience.

In September, we opened our new global headquarters; 1 Elizabeth sits at the heart of the Sydney Metro Martin Place project developed by Macquarie in partnership with the New South Wales Government. One of our largest balance sheet infrastructure undertakings, the project began over a decade ago when we identified an opportunity to connect capital with community need and lead the reinvigoration of the part of Sydney that has been our home for more than 25 years.

Teams that reflect the diversity of our communities

Ensuring that our business remains innovative, sustainable and continues to meet the evolving needs of all our stakeholders requires us to build diverse teams that reflect the breadth of the communities we serve. Our approach has always been, and we remain committed to, fostering an inclusive culture that welcomes a range of ideas and perspectives, values the contributions of all of our people, and which empowers individuals to deliver to their greatest potential.

In 2025, the Macquarie Group Foundation marks its 40th anniversary of driving our social impact work, supporting our people, businesses and communities to build a better future. Coinciding with this milestone, Macquarie's Chief Financial Officer Alex Harvey completes his term as Chair of the Foundation, handing over to Evie Bruce, Group General Counsel, to progress the important work Alex and the team have led in the areas of shared value and social impact. You can read more about the Foundation's activities on page 82 of this Annual Report.

On behalf of senior management, we would like to thank Macquarie's people – who have driven our success over the past 56 years – for their commitment and dedication. That success would, in turn, not be possible without the support of our clients and shareholders, for which we are extremely grateful.

Shemara Wikramanayake
Managing Director and Chief Executive Officer

Sydney
9 May 2025

BFS delivers award-winning personal banking, business banking and wealth management experiences to approximately 2 million Australians.


Empowering people to innovate and invest for a better future

Macquarie's purpose 'Empowering people to innovate and invest for a better future' represents why we exist and what we do.

In line with our purpose, our people around the world are unlocking capital and ideas to support the growth, innovation and evolution of our clients and communities. Enabled by our culture of entrepreneurialism, and by applying their unique expertise and insights, our teams are creating investment opportunities, helping facilitate economic activity, addressing unmet community need and advancing long-term prosperity.

Building a digital bank for the future

Powered by digital-first experiences and a deep-rooted obsession with its customers, Banking and Financial Services (BFS) delivers award-winning personal banking, business banking and wealth management experiences to approximately 2 million Australians.

As a technology-led business, BFS constantly reimagines how it creates value for customers through designing seamless and secure digital experiences that empower them to build, manage and protect their financial future with confidence.

An early adopter of cloud technology within the banking industry, BFS has designed purpose-built platforms that integrate scalability with resilience and deep analytics capabilities like machine learning. Along with improved risk management and reliability, its cloud-backed capability means BFS can continually optimise its offering based on customer behaviours, preferences and pain points.

BFS constantly looks beyond financial services to learn from the world's leading technology companies. With its focus on delivering a best-in-class user experience and by making use of its proprietary technology and platforms, the business can offer faster and more intuitive banking experiences while delivering growth and innovation in a highly competitive industry.

Macquarie Authenticator provides customers with a secure and streamlined app-based experience for authenticating transactions and activity on their account

This approach also allows BFS to design products and services that respond to challenges in a new way. One of these is protecting customers in a rapidly changing cyber risk landscape. BFS has invested heavily in industry-leading technology and digital solutions that help prevent customers falling victim to fraud and financial scams, while keeping their money and personal information secure.

Macquarie Authenticator is a multi-factor authentication app which gives customers peace of mind that their account has Macquarie's highest level of digital security no matter where they are in the world. Designed to make authorising transactions fast, simple and easy, the app lets customers approve or deny important account activity in real time. It does this via sending notifications directly to a customer's device, instead of using less secure methods like SMS which are more prone to interception. The notifications are also more detailed than SMS, so customers are more confident and in control of what they're approving.

BFS has also invested heavily in advanced AI and machine learning to further enhance its fraud prevention capabilities. One area of focus has been developing behavioural biometric solutions that monitor customers' digital interactions to detect uncharacteristic behaviours that might be a sign of potential scams and fraud attempts. As part of its ongoing commitment to protect customers and support industry efforts to reduce fraud and scam activity across Australia, BFS has also implemented a number of important solutions such as payment blocks to certain high-risk financial institutions, AI detection models to identify and prevent money mules, and adding phone numbers to the 'Do Not Originate' list to prevent them from being used for scam calls.

Macquarie was the primary sponsor of the Australian Superannuation Investment Summit, held in February 2025 at the Australian Embassy in Washington, DC.

Helping strengthen public service delivery

Across sectors ranging from transport and technology to logistics and energy, we advise on, develop, finance, invest in and manage infrastructure supporting the functioning of modern society.

Working with governments around the world, we leverage private sector investment and expertise to streamline and modernise the delivery of public services and free up public capital to be deployed where it is needed most. Macquarie Capital's investment in PayIt is enabling further growth and product innovation in the cloud-based provider of digital government services and payments available to more than 100 million residents across North America. Through its investment in Procentrix, Macquarie Capital is expanding the deployment of technology platforms that enable US government agencies to accelerate their digital modernisation.

As one of the world's leading infrastructure investment managers,[2] Macquarie Asset Management's (MAM) investments underpin economies, communities and households, and are relied on by more than 300 million people every day.[3] Its teams unlock the capital required to maintain, upgrade and build the infrastructure of the future while creating investment opportunities for our clients and partners. As part of a joint venture with the Victorian Government in Australia, for example, MAM is helping to modernise the state's driver and vehicle registration and licencing services, VicRoads.

Our businesses also collaborate closely with governments to catalyse private capital investment and promote specific policy outcomes. In FY2025, this included partnering with the French government and European Investment Bank to develop Verkor's first gigafactory for lithium-ion batteries in northern France; working with the Green Climate Fund (GCF) on the Vertelo e-mobility project in India – one of the largest private sector projects implemented by the GCF; and contributing to the Australian Government's National Reconstruction Fund and the Future Made in Australia framework, aimed at boosting private sector investment in domestic sectors crucial for economic resilience.

We also play a role in convening international investors to support national priorities. In FY2025, at the UK International Investment Summit we announced plans for £20 billion ($A41.6 billion) in infrastructure-focused investments in the UK. Macquarie was the primary sponsor of the Australian Superannuation Investment Summit in the US, where we helped facilitate discussions between Australia's largest superannuation funds and US policymakers to identify mutually beneficial investment opportunities. And, at the Australian Government's ASEAN-Australia Summit, our CEO Shemara Wikramanayake was named as the Government's private sector Business Champion for the Philippines, a role designed to facilitate greater commercial links between Australia and the rapidly growing Southeast Asian nation.

[2] IPE Real Assets 2024 Top 100 Infrastructure Investment Managers 2024, published in July/August 2024. The ranking is the opinion of IPE Real Assets and not Macquarie. No such person creating the ranking is affiliated with Macquarie or is an investor in Macquarie-sponsored vehicles. IPE Real Assets surveyed and ranked global infrastructure investment managers. The ranking is based on infrastructure AUM as at 31 March 2024. AUM is defined by IPE Real Assets as the total gross asset value of all assets managed and committed capital (including uncalled). There can be no assurance that other providers or surveys would reach the same conclusions as the foregoing.

[3] As at 30 September 2024. Number of people reached is calculated by taking an estimate of the number of users for all MAM Real Assets portfolio companies. For instance, a toll road where the number of vehicles per day (KPI) is multiplied by average passengers travelling in a vehicle. Portfolio company KPI data is pulled from internal systems or sourced from asset managers directly.

Financing climate solutions

Macquarie made its first investment in renewable energy projects two decades ago, in Europe. Today, all of our businesses and most of our clients are involved in or impacted by the energy transition. As global demand for energy and the parallel need to decarbonise increases, there is a growing requirement for new renewable energy generation, storage and distribution infrastructure.

Macquarie continues to support investment in green energy and other climate solutions, partnering with clients seeking to respond to the risk and opportunities created by climate change and related mitigation and adaption activities. Across our global businesses, we have capabilities spanning key low-carbon technologies and sectors of the economy, building on our deep expertise in energy, commodities and infrastructure to provide advisory, research, development, capital, trading, and asset and risk management solutions.

As demand for capital grows, MAM is increasing its investment in climate solutions through its fiduciary strategies, and its Green Investments team manages $A19 billion in assets, a fourfold increase from FY2022.[4] In FY2025, MAM invested in infrastructure and services supporting the energy transition, such as DynaGrid, a major US utility services provider building critical electricity infrastructure, and ZITON, a leading offshore wind operations and maintenance business.

As a global advisor in infrastructure and renewable energy, Macquarie Capital leverages its expertise to support critical energy transition solutions. Through equity investment, it is supporting distributed clean energy projects, including the Netherlands' largest utility-scale battery storage project. It continues to advise clients on their acquisition of renewables assets, including J-POWER's acquisition of Genex, and unlock capital for large-scale renewable initiatives, such as Global Power Generation Australia, and fleet electrification. Macquarie Capital is also supporting Paladin Energy, which specialises in exploring and producing uranium for use in nuclear energy generation and the development of zero emissions electricity.

Commodities and Global Markets (CGM) continues to expand its capital and financing, risk management, market access, physical execution and logistics solutions to meet clients' growing energy transition needs. This includes executing grid-scale battery offtake arrangements through an innovative virtual tolling agreement and utilising its expertise in physical oil trading to supply Sustainable Aviation Fuel. CGM also executed Macquarie's first in-house lithium hedge on behalf of a MAM portfolio company specialising in the development of battery storage solutions. The business' deep understanding of local carbon markets and financial structuring capabilities also enables it to deliver tailored solutions, including in newer carbon markets like China.

CGM executed Macquarie's first in-house lithium hedge on behalf of a MAM portfolio company specialising in the development of battery storage solutions.

4 Reflects AUM held within MAM's dedicated energy transition strategies, including assets originated and managed by the MAM Green Investments team that are partially held in an affiliated strategy or pending partial transfer into this strategy, as at 31 December 2024. Excludes assets held in other infrastructure strategy, even where the team has a management role.

Investing in the digital ecosystems of the future

As economic reliance on digital networks and technological advancements increases, so does the need for physical infrastructure that powers data storage and processing capabilities, connects communities to data networks, and allows people to access and benefit from the latest technologies and platforms.

Macquarie's teams are investing across the digital ecosystem and leveraging knowledge in interconnected sectors to address unmet community need, taking a long-term view of how societies' use of technology is evolving and the infrastructure necessary to support that evolution.

To help meet the growth in data usage and processing, MAM, Macquarie Capital and CGM are all investing in different aspects of data centres across the globe. MAM currently has 1.5 GW of contracted hyperscale data centre capacity and over 5 GW of total planned capacity within its portfolio. During FY2025, it announced investments in Aligned Data Centers in the Americas, through the investment vehicles of funds it manages, and acquired Hanam Data Center in Korea, via the Macquarie Korea Infrastructure Fund.

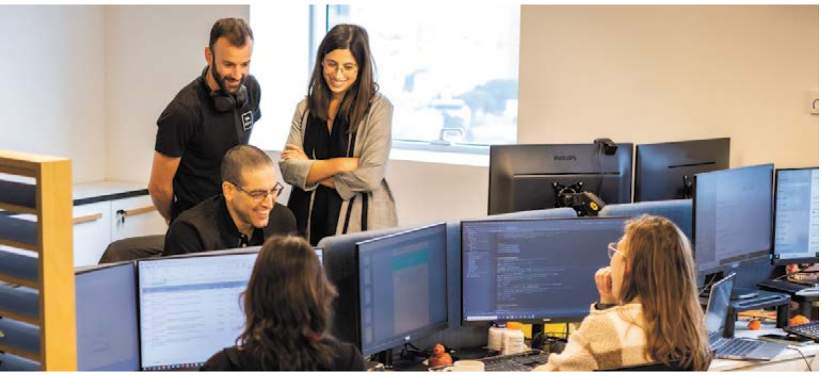
In Australia, MAM divested AirTrunk, with Macquarie Capital acting as its joint financial adviser on the sale. On behalf of its managed fund and clients, MAM made its initial investment in AirTrunk in 2020, demonstrating its ability to identify, invest in, and nurture digital infrastructure assets that are resilient, scalable and pivotal in meeting future demand for data, cloud services and the adoption of AI. Working in partnership with AirTrunk's management team over the last four years, MAM's global sectoral expertise coupled with government, regulatory and financing expertise in local markets has played a key role in AirTrunk's successfully achieving scale and growing its Asia-Pacific presence.

CGM supported Applied Digital with senior secured debt financing during the year, to progress its purpose-built High-Performance Computing data centre in North Dakota in the US, as well as future facilities to support the movement of data to the cloud and advancement of AI. This was followed by investment in the same facility by MAM, through the investment vehicles of funds it manages. Through asset-backed financing, CGM is also supporting US-based Lambda and UK-based Fluidstack, startups that specialise in flexible on-demand cloud-computing services used by organisations training and deploying next-generation AI models.

Our teams are also involved in growing the fibre networks and telecommunications infrastructure that enable the movement of data and the supporting energy systems needed to power the broader digital ecosystem. In Southeast Asia, MAM manages an investment in Bersama Digital Infrastructure, which is pursuing investment opportunities focused on telecommunication towers and fibre networks alongside data centres. In Spain, Macquarie Capital and a consortium of investors acquired a fibre network from DIGI Spain Telecom, which will be operated by Onivia – an independent wholesale fibre network owner and operator established by Macquarie Capital in 2019 – increasing its coverage to around 10 million homes.

As a long-term investor in communications tower company PhilTower, Macquarie Capital and a consortium of investors completed a transaction between PhilTower and Miescor Infrastructure Development Corporation to create one of the largest independent telecommunications towers companies in the Philippines. Meanwhile, as an equity investor, Macquarie Capital is supporting UK-based Stark Software's ambition to become a leading independent provider of mission critical energy data, metering and infrastructure services, by helping to fund its organic and acquisition-driven growth.

MAM manages an investment in Bersama Digital Infrastructure, which is pursuing telecommunication towers, fibre and data centre investment opportunities in Southeast Asia.



Macquarie Capital's venture capital arm has invested in Shield, which uses sophisticated AI models to identify potential fraud activity across a range of industries.
Image provided by Shield

Supporting the high-growth companies of the future

From startups and scaleups to middle-market companies, Macquarie works with businesses and entrepreneurs across a broad range of industries and geographies to support their growth ambitions. Using specialist advice borne out of our sectoral expertise and global insights, and by investing our balance sheet, we support companies driving innovation and delivering real-world impact.

In FY2025, Macquarie Capital advised UK-based The Ardonagh Group on its acquisition of Australia-headquartered PSC Insurance Group Limited, a leading insurance distribution company with operations in both markets. It supported IK Partners' acquisition of Netherlands-based Sansidor, a fast-growing network of test, inspection and services companies with a focus on the themes of health, safety and sustainability services for the built environment. It was also part of a consortium that acquired Byggfakta – now known as Hubexo – a Swedish information and software provider within the construction industry, supporting its growth journey across 25 countries. Macquarie Capital's investment in US-based Earth Resources Technology (ERT), which provides scientific, engineering, environmental and information technology services and solutions, is helping ERT expand its client base and drive new growth opportunities.

Macquarie Capital's venture capital arm, which focuses on companies at the forefront of cybersecurity and regulatory technology, has invested in Shield, a platform which runs sophisticated AI models to identify and alert compliance teams to potential fraud activity across a range of industries. It has also invested in Biocatch, which develops AI-driven behavioural biometrics software that can identify fraud and financial crime in real time and is used by BFS.

In FY2025, through its funds, MAM invested in DynaGrid, a major US utility services provider building critical electricity infrastructure. Meanwhile, through financing and hedging solutions, CGM is supporting the growth of Corona Energy, an independent gas and electricity supplier it owns in the UK, providing flexible energy supply agreements to SMEs, corporates and public sector clients.

Forty years of the Macquarie Group Foundation

In 2025, the Macquarie Group Foundation (the Foundation) will mark its 40-year anniversary. Its founding Chair, David Clarke AO (1942–2011) – who was Chairman of Macquarie at the time – had long held the belief that Macquarie and its people should work in a multitude of ways for the betterment of society.

Over the years, as Macquarie has grown and expanded globally, so has the Foundation's work. Recognising that many people around the world face barriers to employment, it focuses on breaking down these barriers and building effective pathways. Alongside this work, and supporting our people to contribute to causes in the communities in which they live and work, the Foundation partners with teams across Macquarie to explore opportunities for delivering 'shared value' by identifying areas where social impact and commercial opportunities intersect.

Recognising that expertise and investment from the private sector can help address complex and wide-ranging social challenges, the Foundation supports our people to create outcomes that have the potential to achieve intentional, lasting social change by integrating social impact into existing and upcoming projects.

In its second year, the Macquarie Shared Value Award recognised Macquarie teams and assets driving significant social outcomes. Macquarie Asset Management with TDC NET's Technology Employment Program were awarded a $A150,000 grant to Specialisterne's employment program for individuals living with autism. Macquarie Capital, together with Voneus Broadband, were awarded a $A150,000 grant to the Digital Poverty Alliance to provide digital devices and digital literacy programs to low-income households in the North of England.

The Foundation also makes catalytic investments that support entrepreneurial organisations breaking down barriers to employment. In FY2025, it supported White Box Enterprises in launching Australia's first loan fund designed for social enterprises that support employment pathways. It also invested in Redemption Roasters, a UK-based organisation on a mission to reduce reoffending through coffee, providing professional coffee industry training and employment opportunities for prison leavers.

The Art Space, a new publicly accessible gallery featuring curated exhibitions including art from the Macquarie Group Collection opened in 1 Elizabeth, part of the Sydney Metro Martin Place precinct and home to our new global headquarters. Featuring curated public art that tells the story of the site's past, present and future, the precinct is a leading example of cultural integration within transport hubs and privately-owned public spaces.

The Foundation makes catalytic investments that support entrepreneurial organisations breaking down barriers to employment, such as UK-based Redemption Roasters.
Image provided by Redemption Roasters

Financial highlights

FY2025 net profit[5]

$A3,715m

↑ 5% on the prior year

FY2025 net operating income

$A17,208m

↑ 2% on the prior year

FY2025 operating expenses

$A12,140m

broadly in line with the prior year

FY2025 earnings per share

$A9.79

↑ 7% on 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

FY2025 dividends per share

$A6.50

(35% franked)

↑ 2% on the prior year

FY2025 effective tax rate

26.3%

↓ from 26.8% in the prior year

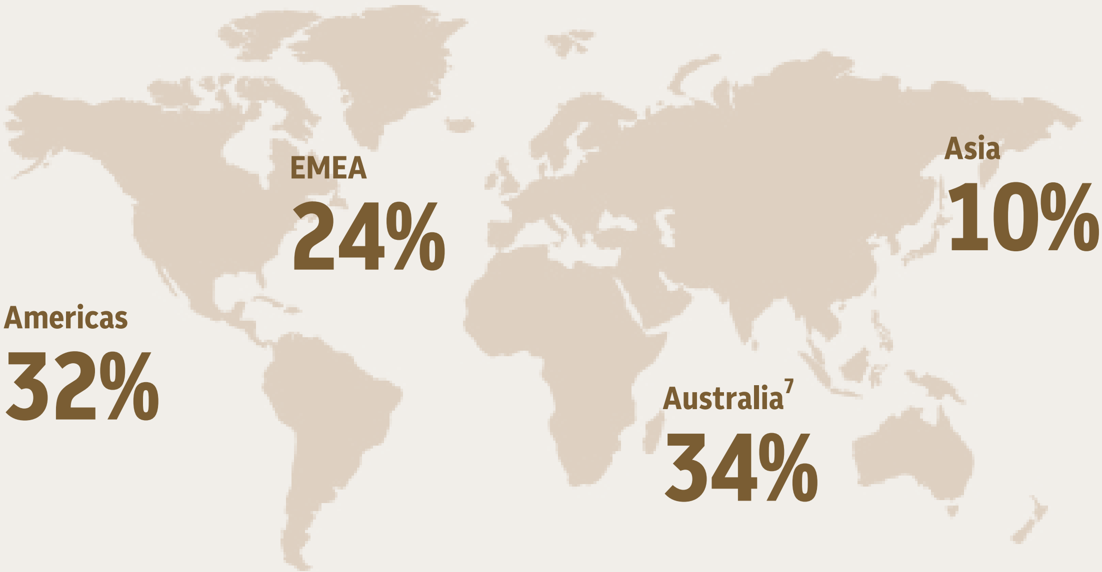
Assets under Management

$A941.0b

broadly in line with the prior year

[5] Net profit is profit after tax attributable to ordinary equity holders of Macquarie Group Limited.

FY2025 international income[6]



Diversity of income[8]

[6] International income reflects net operating income excluding earnings on capital and other corporate items, including internal management revenue/(charge).
[7] Includes New Zealand.
[8] Reference to Macquarie's established, diverse income streams is based on FY2025 net operating income.

Macquarie is a diversified financial services group providing clients with asset management, retail and business banking, wealth management, as well as advisory, and risk and capital solutions across debt, equity, financial markets and commodities.

For internal reporting and risk management purposes, Macquarie is divided into four Operating Groups, which are supported by four Central Service Groups.

Central Service Groups

The Central Service Groups provide a range of functions supporting Macquarie's Operating Groups, ensuring 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.

Risk Management Group (RMG)

An independent and centralised function responsible for independent and objective review and challenge, oversight, monitoring and reporting in relation to Macquarie's material risks. RMG designs and oversees the implementation of the risk management framework.

Financial Management, People and Engagement (FPE)

Responsible for managing Macquarie Group's financial, tax and treasury activities and strategic priorities, fostering our culture through people and community engagement, and engaging with stakeholders to protect and promote Macquarie Group's reputation globally.

Legal and Governance Group (LGG)

Provides a full range of legal and corporate governance services, including strategic legal and governance advice and risk assessment on corporate transactions, treasury and funding, insurance, regulatory enquiries and litigation.

Corporate Operations Group (COG)

Brings together specialist capabilities in technology, data, artificial intelligence, market operations, corporate real estate, business resilience, procurement and global security to support Macquarie's growth.

Macquarie Asset Management

$A1,610m

↑ 33% on prior year

MAM is a global integrated asset manager, investing to deliver positive outcomes for our clients, portfolio companies and communities.

MAM provides a diverse range of investment solutions to clients including real assets, real estate, credit, equities and multi-asset, insurance solutions and secondaries.

FY2025 Highlights

MAM AUM of $A941.0 billion as at 31 March 2025 was broadly in line with 31 March 2024, driven by increased fund investments and net asset valuations, offset by asset divestments and outflows in equity strategies.

During the period, MAM raised $A18.0 billion in new equity from clients across a diverse range of strategies in real assets, real estate, private credit and secondaries. MAM invested $A25.4 billion of equity across 42 investments, including: 20 in real assets, 19 in private credit and 3 in real estate, with transactions including Aligned Data Centres, D. E. Shaw Renewable Investments, Rakuten Mobile and National Gas.

MAM continues to expand its Alternatives to Wealth capabilities with infrastructure and energy transition strategies launched through key partnerships.

Banking and Financial Services

$A1,380m

↑ 11% on prior year

BFS serves the Australian market and is organised into the following three business divisions:

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

FY2025 Highlights

For the full year ended 31 March 2025, the loan portfolio increased 15% to $A161.4 billion, BFS deposits increased 21% to $A172.4 billion and funds on platform increased 4% to $A154.0 billion.

The home loan portfolio increased 19% to $A141.7 billion driven by strong demand in lower loan-to-value ratio and owner-occupier lending tiers, while the Business Banking loan portfolio increased 6% to $A16.7 billion driven by an increase in client acquisition across core segments and a continued build into emerging segments.

Commodities and Global Markets

$A2,829m

↓ 12% on prior year

CGM is a global business offering capital and financing, risk management, market access, physical execution and logistics solutions to its diverse client base across:

- **Commodities:** Provides risk management, capital and financing, and physical execution and logistics solutions across power, gas, emissions, agriculture, oil and resources sectors globally
- **Financial Markets:** Provides risk management, capital and financing solutions, and market access to corporate and institutional clients with exposure to foreign exchange, rates, fixed income, credit markets and listed derivatives markets
- **Asset Finance:** Global provider of specialist finance and asset management solutions across a variety of industries and asset classes.

FY2025 Highlights

CGM recorded a net profit contribution of $A2.8 billion, down 12% on the prior year.

Commodities contribution was down on the prior year due to decreased income from Commodities risk management due to subdued conditions in certain commodity markets on client hedging activity, particularly EMEA Gas, Power and Emissions and Global Oil. These reductions were partially offset by an increased contribution from Resources, primarily from the metals sector, and Agriculture. Commodities inventory management and trading was lower due to the timing of income recognition on North American Gas and Power contracts. Financial Markets contribution was up on the prior year, driven by continued strong client hedging activity in structured foreign exchange products, increased contribution from financing origination and increased client and trading activity in equities markets. Asset Finance contribution was slightly down on prior year, due to reduced contribution from end of lease income, partially offset by increased volumes in the shipping sector.

CGM continues to be recognised across the industries it operates in, with a number of awards earned during the period including House of the Year for Oil and Products, Natural Gas/LNG and Commodities Research at the Energy Risk Awards 2024 and House of the Year for Commodities Research, Base Metals, Commodity Trade Finance and Derivatives at the Energy Risk Asia Awards 2024. CGM is ranked as the No.1 Futures Broker on the ASX.

Macquarie Capital

$A1,043m

broadly in line with prior year

Macquarie Capital 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.

FY2025 Highlights

Macquarie Capital continued to invest in both its private credit and equity portfolios in FY2025. As at 31 March 2025, the committed private credit portfolio was $A26.0 billion, with ~$A9 billion deployed in FY2025 through focused investment in credit markets and bespoke financing solutions. The committed equity portfolio of $6.0 billion as at 31 March 2025 was up 18% on 31 March 2024, with investments completed in strategies across infrastructure and development, growth equity, venture capital and private equity.

Examples of investments made during the fiscal year include refinancing of SimPRO (a field service software provider used by small to medium-sized businesses across the US, UK and ANZ) and supported ECI partners as main lender to Moneypenny (one of the UK's leading outsourced customer experience providers).

Highlights for Macquarie Capital's advisory business included maintaining No. 1 position in ANZ across M&A (by deal count) in FY2025; whilst notable deals included advising Bally's Corporation (a global casino-entertainment company with a growing omni-channel presence) on its $US4.6 billion sale to Standard General as well as advising BlackRock, Goldman Sachs and Mubadala on the sale of their majority stake in Calisen, the UK's leading provider of smart meters and small scale energy transition infrastructure.

Risk management

Maintaining an appropriate and effective risk culture continues to be integral to Macquarie's risk management framework.

Risk culture

Macquarie's approach to maintaining an appropriate and effective risk culture is based on an integrated and iterative cycle of:

- setting behavioural expectations
- promoting risk culture
- monitoring and reflecting.

Risk management framework

Macquarie's risk management framework is the totality of systems, structures, policies, processes and people within Macquarie that identify, measure, evaluate, monitor, report and control or mitigate all internal and external sources of material risk.

Macquarie's approach to risk management is based on stable and robust core risk management principles. These are:

- all staff have a role in managing risk
- ownership of risk at the business level
- understanding worst-case outcomes
- requirement for an independent sign-off by RMG.

Macquarie's approach to risk management adopts the 'three lines of defence' model, which sets risk ownership responsibilities functionally independent from oversight and assurance:

- primary responsibility for day-to-day risk management lies with the business
- RMG forms the second line of defence
- the Internal Audit Division, as the third line, provides independent and objective risk-based assurance.

In determining those risks that are material to Macquarie, we assess the potential for a risk to affect our earnings resilience and financial strength across market cycles, our ability to meet regulatory obligations, our stakeholders, and our reputation. Macquarie's material risks include asset, conduct, country, credit, environmental and social, equity, financial crime, legal, liquidity, market, operational, regulatory and compliance, tax, technology and cyber, and work health and safety risks.

More details on Macquarie's risk management framework, risk culture and conduct risk management are in the **Risk Management** section of this Annual Report.

Macroeconomic factors

The key macroeconomic risks to Macquarie's short and medium term financial outlook noted on page 32 are:

Market conditions

The general condition of markets, driven by macroeconomic, climate and geopolitical factors, may have a bearing on Macquarie's businesses. Changing market conditions influence the volume and timing of client and principal transactions across businesses and the value of various equity, credit and market risk exposures held by Macquarie on its balance sheet.

The value of the Australian dollar

A significant proportion of Macquarie's net income is denominated in foreign currency. Therefore, net income will be lower in Australian dollar terms if the Australian dollar appreciates against other foreign currencies, and net income will be higher in Australian dollar terms if the Australian dollar depreciates against other foreign currencies.

Potential regulatory changes

Macquarie is affected by changes in regulation. Regulatory change continues to increase at both the global and Australian levels and has the potential to affect the regulatory capital and funding requirements and profitability of Macquarie's businesses.

Funding and liquidity

Macquarie uses deposits and debt markets, among other funding sources, to fund its assets. Macquarie is therefore exposed to the risk of an increase in the cost of funding, or of reduced access to funding sources.

Technology

Macquarie recognises that with the use of systems, technology, and platforms to support its business activities, it is exposed to risk of loss resulting from failure, inadequacy or misuse of technology and technology resources.

Operating and financial review

for the year ended 31 March 2025

Review of Group performance and financial position

Overview

Profit attributable to ordinary equity holders of $A3,715 million for the year ended 31 March 2025 increased 5% from $A3,522 million in the prior year.

	FULL YEAR TO		
	31 Mar 25	31 Mar 24	*Movement*
	$Am	$Am	*%*
Net operating income	**17,208**	16,887	*2 %*
Total operating expenses	**(12,140)**	(12,061)	*1 %*
Income tax expense	**(1,326)**	(1,291)	*3 %*
(Profit)/loss attributable to non-controlling interests[9]	**(27)**	(13)	*108 %*
Profit attributable to ordinary equity holders of Macquarie Group Limited	**3,715**	3,522	*5 %*

[9] 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.

FY2025 net profit contribution[10]

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

Non-Banking Activities

Macquarie Asset Management (MAM)

$A1,610m

↑ 33% on 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.

Macquarie Capital

$A1,043m

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.

Banking Activities

Banking and Financial Services (BFS)

$A1,380m

↑ 11% on 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.

Commodities and Global Markets (CGM)[11]

$A2,829m

↓ 12% on 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.

Corporate

Net expenses of **$A3,147m**

↓ 1% on prior year due to

- higher net interest and trading income primarily driven by higher earnings on capital
- higher other operating 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.

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

[11] 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.

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	
31 Mar 25 $Am	31 Mar 24 $Am
8,877	8,907

broadly in line with prior year

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.

Fee and commission income

FULL YEAR TO	
31 Mar 25 $Am	31 Mar 24 $Am
6,790	6,249

↑ 9% on prior year

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.

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

FULL YEAR TO	
31 Mar 25 $Am	31 Mar 24 $Am
167	(49)

↑ substantially on prior year

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.

Credit and other impairment (charges)/reversals

FULL YEAR TO	
31 Mar 25 $Am	31 Mar 24 $Am
(361)	369

↑ substantially on prior year

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.

Net other operating income

FULL YEAR TO	
31 Mar 25 $Am	31 Mar 24 $Am
1,735	1,411

↑ 23% on prior year

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:

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

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.

Brokerage, commission and trading-related 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.

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.

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 rate[12] 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.

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

Statement of Financial Position

Total assets

AS AT	
31 Mar 25	31 Mar 24
$Ab	$Ab
445.2	403.4

↑ 10% on 31 Mar 24

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 61% from $A4.3 billion as at 31 March 2024, driven by disposals and reclassification of businesses as held for sale, in MAM.

Total liabilities

AS AT	
31 Mar 25	31 Mar 24
$Ab	$Ab
409.4	369.4

↑ 11% on 31 Mar 24

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.

Total equity

AS AT	
31 Mar 25	31 Mar 24
$Ab	$Ab
35.8	34.0

↑ 5% on 31 Mar 24

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.

Funding

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.

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 maturing beyond one year, stable deposits, hybrids and subordinated debt and equity.

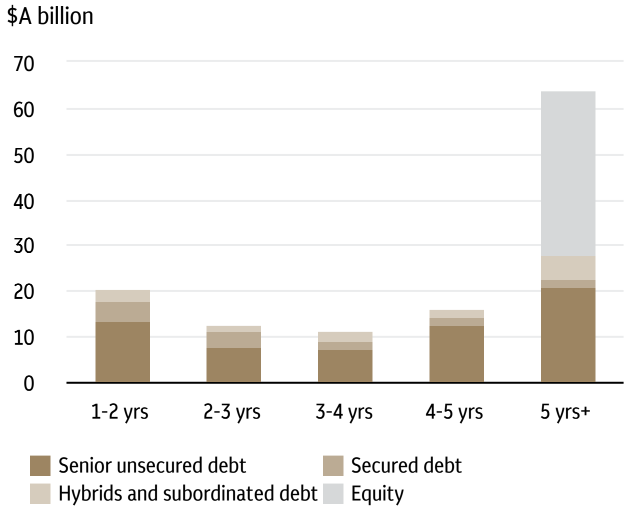
The weighted average term to maturity of term funding >1 year (excluding deposits, equity and securitisations) was 4.5 years as at 31 March 2025.

4.5 years

Weighted average maturity

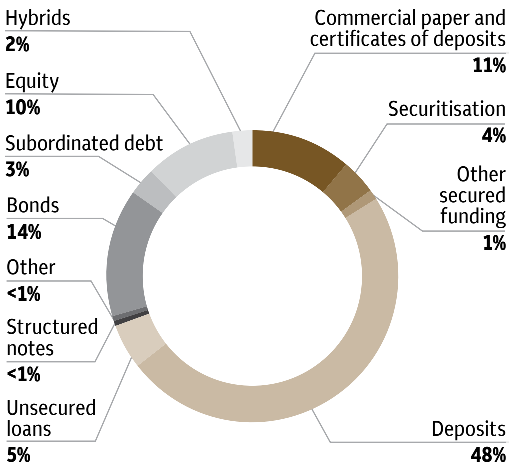
Term funding profile

Detail of drawn funding maturing beyond one year



Diversity of funding sources

Details of drawn funding sources maturing across all tenors



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[13]		**15.1**	**16.9**	**32.0**

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

[13] 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.

Capital

$A9.5b

Group capital surplus

As an Australian Prudential Regulation Authority (APRA) authorised and regulated Non-Operating Holding Company (NOHC), 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 plus Tier 1 deductions using prevailing APRA ADI Prudential Standards; and
- the Non-Bank Group's capital requirement, calculated using Macquarie's Board approved Economic Capital Adequacy Model (ECAM).

Transactions internal to Macquarie are eliminated.

The Bank Group's Level 2 minimum Common Equity Tier 1 (CET1) capital ratio in accordance with Prudential Standard APS 110 Capital Adequacy is 9%. This includes the industry minimum CET1 requirement of 4.5%, capital conservation buffer (CCB) of 3.75% and a countercyclical capital buffer (CCyB)[14] of 0.75%. The corresponding requirement for Tier 1 capital is 10.5%, inclusive of the CCB and CCyB.[14] APRA also requires ADIs to maintain a minimum leverage ratio of 3.5%. In addition, APRA may impose ADI-specific minimum ratios which may be higher than these levels.

Macquarie is well capitalised, with the following capital adequacy ratios as at 31 March 2025:

Bank Group Level 2 Basel III ratios	APRA Basel III	Harmonised Basel III[15]
Common Equity Tier 1 Capital Ratio	12.8%	17.6%
Tier 1 Capital Ratio	14.4%	19.6%
Leverage Ratio	5.1%	5.8%

Outlook

We continue to maintain a cautious stance, with a conservative approach to capital, funding and liquidity that positions us well to respond to the current environment.

The range of factors that may influence our short-term outlook include:

- market conditions including: global economic conditions, inflation and interest rates, significant volatility events, and the impact of geopolitical events
- completion of period-end reviews and the completion of transactions
- the geographic composition of income and the impact of foreign exchange
- potential tax or regulatory changes and tax uncertainties.

[14] The CCyB of the Bank Group at 31 March 25 is 0.74%, this is rounded to 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.

[15] Harmonised Basel III estimates are calculated in accordance with the updated BCBS Basel III framework, noting that MBL is not regulated by the BCBS therefore the ratios are indicative only.

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Governance

MMG Las Bambas, Peru

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.


KOMATSU
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Corporate Governance Statement

This Corporate Governance Statement has been approved by the Macquarie Group Limited Board (Board). It describes our key governance practices and articulates how decision-making is guided to meet stakeholder expectations of sound corporate governance and prudent decision-making, acknowledging Macquarie's specific and broader responsibilities to its shareholders, funders, clients, employees and the communities in which it operates.

Macquarie Group Limited's (MGL) corporate governance practices have followed the recommendations set by the 4th edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* throughout the financial year ended 31 March 2025.

MGL, together with its subsidiaries (Macquarie), is a global financial services group operating in 31 markets in asset management, retail and business banking and wealth management, as well as advisory, risk and capital solutions across debt, equity, financial markets and commodities.

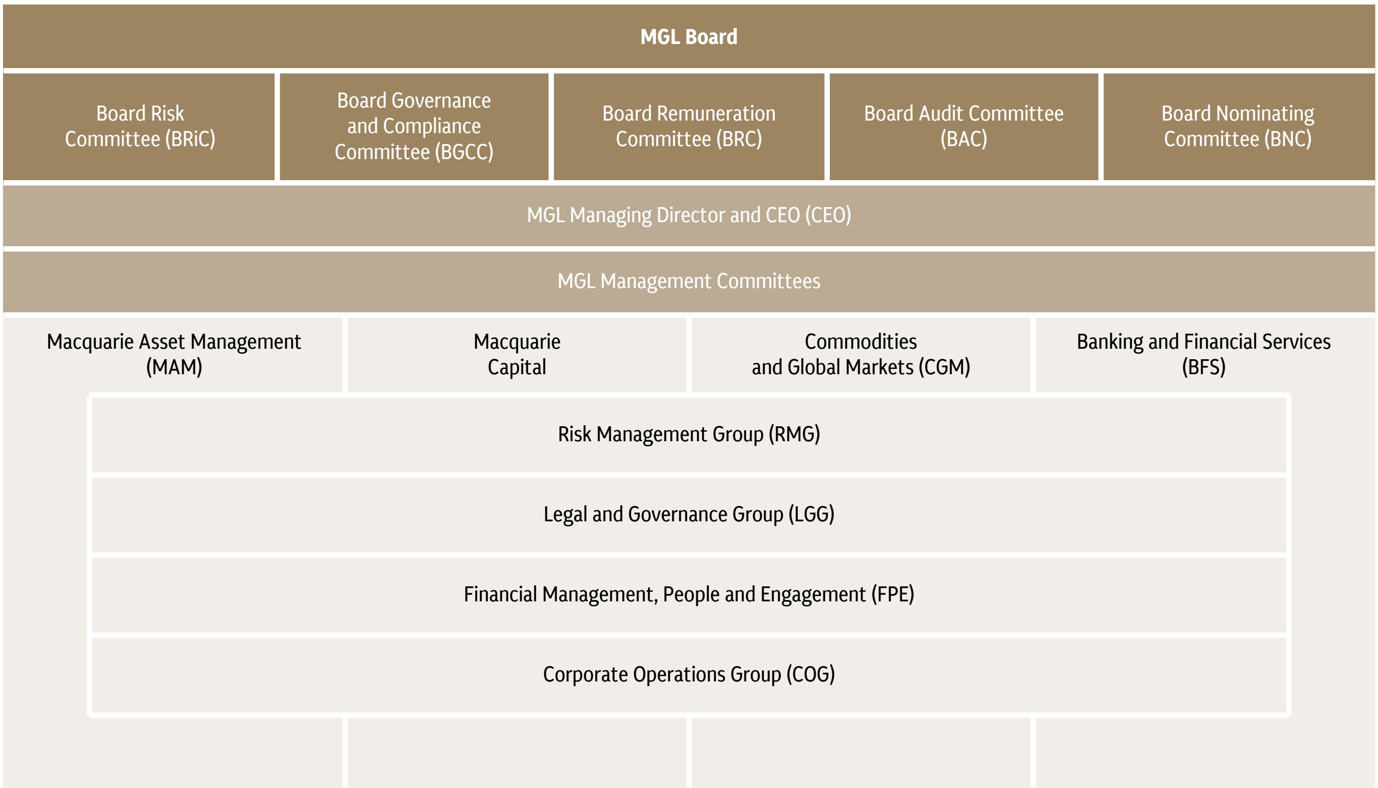
Macquarie's purpose statement 'Empowering people to innovate and invest for a better future' explains why we exist. We believe that by empowering people we will achieve our shared potential.

The way we fulfil our purpose is defined by our principles of Opportunity, Accountability and Integrity. These principles guide Board, management and staff conduct, and it is expected that they will all meet these standards and deal honestly and fairly with our clients, counterparties and regulators. There are appropriate consequences for anyone who fails to meet our standards.

Corporate Governance framework

Our corporate governance framework defines the relationship between the Board and management, underpinned by a strong risk management framework and the infrastructure needed for our Operating Groups to manage their businesses.

Macquarie



Macquarie Bank

Macquarie Bank Limited (MBL) is a regulated authorised deposit-taking institution in Australia and is a key subsidiary of MGL. It has a similar governance structure to MGL, with five standing MBL Board Committees: a Board Audit, Board Remuneration, Board Risk, Board Governance and Compliance and Board Conflicts Committee. In addition to supporting the MGL Board, the MGL Board Nominating Committee supports the MBL Board in satisfying itself that the MBL Board has an appropriate mix of skills, experience, tenure and diversity for the Board.

The MBL Board is comprised of a majority of Non-Executive Directors (NEDs), the MGL CEO and MBL CEO. There are three Bank-only Non-Executive Directors (BONDs) on the MBL Board: Mr Wayne Byres, Mr Ian Saines and Mr David Whiteing, and seven NEDs who also serve on the MGL Board.

The MBL CEO is assisted by MBL's management committees and the MBL CEO Office.

During FY2025, Macquarie and MBL continued their oversight of ongoing programs that focus on strengthening MBL's processes and controls, including those around intra-group funding arrangements and internal exposures; capital and liquidity reporting; risk management frameworks; and accountabilities and governance.

Board oversight

The Board sets the 'tone at the top' in a highly visible manner. Board members have broad contact with staff at various levels within the organisation and across regions.

There is a culture of open and frank discussion at the Board. Actions taken by the Board seek to promote long-term sustainability and prudent management of risk consistent with *What We Stand For.*

Board workshops scheduled during FY2025 covered topical, emerging business and governance issues, including presentations on artificial intelligence, sustainability reporting, operational risk management and digital operational resilience, and a demonstration of the technology being built around end-to-end transformation.

NEDs also met regularly without members of management and Board Committees held private meetings with each of the external auditor, Head of Internal Audit, Head of Compliance and Chief Risk Officer (CRO) to assist with their oversight role.

Board members believe that informal conversations with staff are important in assessing the culture within Macquarie and seeing Macquarie's purpose at work. Board members generally attend various staff functions in Australia and conduct two international trips to Macquarie offices each year.

In FY2025, the Board travelled to various international Macquarie offices engaging with staff across all levels and hearing from external speakers.

Key highlights from these visits included meeting a portfolio company's executive team in Washington D.C.; presentations from regional staff and external speakers about topical issues in each region; regional business updates; and seeing Macquarie's culture and purpose in practice. Each visit brought together staff from various locations within the regions, increasing and enhancing the Board's opportunity for engagement with staff.

- During the US Board visit, Board members engaged with approximately 250 staff members in two key regional hubs, Houston and New York, including participating in floor walks and attending the opening of Macquarie's new Americas headquarters in New York.
- During the visit to Singapore, Board members engaged with approximately 400 staff, including attending and participating in a town hall meeting.
- During the visits to London and Dublin, approximately 120 staff members were invited to engage with Board members at various events, including a staff breakfast and networking event.

Board oversight

- Commitment to achieving the highest standards of professional conduct across all Macquarie operations
- Regularly reinforce company-wide expectations
- Diligently take action as part of its responsibility to shareholders, funders, clients, employees and the communities in which Macquarie operates
- Review and monitor operations and challenge of management

Culture and Conduct

- Set high behavioural standards, including through the *Code of Conduct*, and act in accordance with these standards
- Take a dynamic approach to oversight of risk culture and conduct risk management in response to business outcomes and expectations of communities and regulators
- Monitor the actions management take to embed behavioural standards in operations (including an effective risk culture) through qualitative and quantitative indicators, targeted assessments and reviews, and enabling the identification of focus areas

Business strategy	Financial and non-financial risk management	Pay for performance
Assess ability of strategy to adapt to markets and deliver sound client and community outcomes within Board approved risk appetite and related limits.	Approve Macquarie's *Risk Appetite Statement and Risk Management Strategy*, monitor material risks faced by Macquarie and review how they are managed.	Approve a remuneration policy that aligns the interests of staff and shareholders to deliver sustained results for our customers, clients and communities.
Approve budget and funding and capital management strategy to deliver on business strategy.	Oversee management's operation of Macquarie's risk management framework, including its compliance framework.	Remuneration outcomes reflect an assessment against a range of financial and non-financial factors including risk management and compliance.

FY2025 Governance activities

During FY2025, the MGL Board's key governance activities included:

- Continuing Board renewal and succession planning
- Monitoring Macquarie's regulatory engagement, including interacting with some key regulators directly
- Speaking with shareholders and proxy advisors as part of Macquarie's ongoing engagement to discuss matters relating to Macquarie's business performance, governance and remuneration
- Conducting its annual Board performance review, Board skills self-assessment and enhancing Board operations and Board reporting
- Continuing oversight of ongoing programs that focus on strengthening risk management frameworks and accountabilities and governance
- Continuing cross-committee information sharing and reporting (e.g. through Board and Board Committee Chair meetings and regular reporting by Board Committee Chairs)
- Continuing activities relating to the Financial Accountability Regime (FAR)
- Some key areas of Board focus in FY2025 included business strategy and performance, non-financial risk, sustainability reporting, technology and overseeing the external audit tender process
- Meeting staff in Australia, Singapore, the US, UK and Ireland to discuss in informal settings topics relating to Macquarie's culture, including risk culture, using generative AI at Macquarie, and our workplaces (including the transition to our new offices in Sydney and New York)
- Hearing external perspectives on topics including sustainability reporting, geopolitics, technology and media

Board and management

MGL's Constitution sets out requirements concerning board size, meetings, election of directors and the powers and duties of directors. In accordance with the Constitution, the Board has resolved that the maximum number of Voting Directors (Directors) is currently 12.

The Board Charter details the Board's role and responsibilities and matters expressly reserved for the Board, which include annually approving the strategy and business plan, adopting an annual budget, approving Macquarie's funding and capital management strategy, approving Macquarie's *Risk Appetite Statement* and *Risk Management Strategy*, monitoring material risks faced by Macquarie and how they are managed, appointing the CEO and approving major group policies and the *Code of Conduct*.

The role of the Board is to promote the long-term interests of Macquarie, taking into account Macquarie's specific and broader responsibilities to its shareholders, funders, clients, employees and the communities in which it operates. The Board is assisted by its various Board Committees as detailed in each Board Committee Charter.

The Board determines delegations to management and approves applicable limits and policies.

The CEO has been granted authority for matters not reserved for the Board at law or as set out in the Board's Charter, for a Board Committee or one or more other Directors. Macquarie's management committees assist in the exercise of the CEO's delegated authority. The CEO and the CFO report to the Board at each meeting. In addition to regular reporting from management, the Board has unrestricted access to senior management and external advisers.

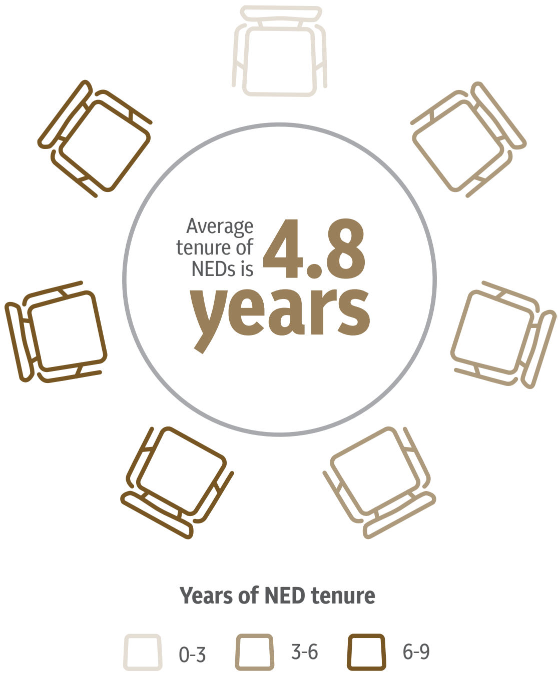
The Company Secretary is appointed by and accountable to the Board, through the Chair, for matters relating to the proper functioning of the Board.

Board renewal, appointment and performance

The Board, with the assistance of the BNC, regularly assesses the skills, experience, tenure and diversity required collectively for the Board to effectively fulfil its role. MGL's *Policy on Board Renewal, Appointment of Directors and Board Performance Review* sets out the fundamental factors relevant to the selection and appointment of new Directors and the process for assessing performance of the Board.

Board diversity and tenure

The Board believes that its membership should comprise Directors with an appropriate mix and diversity of skills, professional experience, tenure, gender and personal background. The general expectation is that NEDs will serve three 3-year terms from first election by shareholders. NEDs may serve for longer than three 3-year terms if the Board considers it to be of significant benefit to MGL.



Director appointment, induction and development

In accordance with Macquarie's *Fit and Proper Policy*, for a Director appointment, appropriate background checks are undertaken (typically including criminal record, bankruptcy, employment history and education checks). Directors appointed to fill a casual vacancy stand for election at the first AGM following their appointment. The notice of meeting provides shareholders with material information relevant to a decision as to whether to elect or re-elect a Director including their skills, experience, other directorships and an acknowledgement that they will have sufficient time to fulfil their responsibilities as a Director.

All Directors have received an appointment letter setting out the terms of their appointment. The material terms of appointment are set out in MGL's *Policy on Board Renewal, Appointment of Directors and Board Performance Review*.

New Directors also undertake an induction program covering relevant matters such as Board and Board Committee practices and procedures, prudential requirements and briefings with Heads of Operating and Central Service Groups and other staff.

NEDs identify business awareness needs on an ongoing basis and regular Board workshops are held during the year on topical, emerging business and governance issues relevant to Macquarie. The BRiC and the Chairs of the Board and Board Committees review the annual schedule of Board workshop sessions. In addition to workshops, the Board has generally scheduled two separate visits to international Macquarie offices annually, and holds Board meetings overseas from time to time.

The BNC reviews the skills and experience of the NEDs. As part of the Board performance review, the Board periodically considers whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role on the Board effectively.

Board performance

A Director's continuing Board membership is subject to their performance and ongoing relevance of their skills and experience. The Board undertakes a formal annual performance evaluation to review its performance and the performance of each Director with emphasis on those individual Directors who are required to stand for re-election at the next AGM. The Board considers the performance and skills of Directors standing for re-election and whether other particular skills or experience not currently available are needed prior to determining whether to recommend their re-election to shareholders.

Every three years an external facilitator conducts the Board's performance review. In the intervening years, an internal performance assessment is led by the Chair with the support of the Company Secretary. The process for conducting the review is agreed by the Board. Typically, the process includes individual interviews by the Chair or an external facilitator with each Director and the use of a self-assessment questionnaire to cover matters such as:

- the Board's contribution to developing strategy
- the Board's performance relative to its objectives
- interaction between the Board and management and between Board members
- the Board's oversight of business performance and risk management
- Board composition and renewal, including consideration of relevant skills and capabilities
- the operation of the Board, including the conduct of Board meetings, Board culture and Chair leadership
- stakeholder management
- succession and remuneration.

A written report summarising the results and feedback is presented to the Board and discussed at a Board meeting. A nominated Independent Director or the external facilitator provides performance feedback to the Chair based on discussion with the other Directors.

The Board's review in FY2025 was an external review.

Board Committee performance

As part of the Board's annual performance evaluation, the functioning and performance of the Board Committees is reviewed. Each Board Committee also undertakes a more detailed review, at least biennially, of its performance and the extent to which it has met its responsibilities set out in its Charter. The process for the review of Board Committee performance also includes use of a self-assessment questionnaire to cover matters such as interaction between the Board Committee and management, the operation of the Board Committee, including the conduct of Board Committee meetings, Board Committee culture and Chair leadership, and Board Committee composition. A written report summarising the results and outcomes, including recommendations, is reviewed and discussed by each Board Committee, led by the Committee Chair.

The next biennial review is scheduled for FY2026.

Employment and performance of senior executives

In accordance with Macquarie's *Fit and Proper Policy*, for a senior executive appointment, appropriate background checks are undertaken (typically including criminal record, bankruptcy, employment history and education checks).

All Executive KMP receive an employment contract setting out the terms of their employment. The material terms of their employment are set out in the Remuneration Report.

There is a consistent and comprehensive process for the Board and the BRC to assess the performance of the MGL CEO and each Executive KMP during the year to enable them to determine remuneration outcomes at the end of the year. A performance evaluation for senior executives has taken place during the year in accordance with the process described on page 123 in the Remuneration Report.

Details of the nature and amount of remuneration for each Executive KMP and Macquarie's remuneration policies and practices are contained on pages 102 to 152 in the **Remuneration Report** section of this Annual Report.

Board structure

Board Committees

MGL's five standing Board Committees assist the Board in its oversight role. Board members have access to all Board Committee meeting papers and may attend any Board Committee meeting. Subsequent to each Board Committee meeting, the minutes are included in the Board papers and a summary of the major matters considered at each meeting is presented to the Board by the respective Committee Chairs.

The Chairs of the Board and each Board Committee meet to broadly consider the work plan, responsibilities and the performance of each Committee and to focus on any areas of overlap or gaps in Committee reporting and responsibilities, including coordination of non-financial risk reporting between Committees and the coverage of risk reporting across Committees.

Allocation of responsibilities between Board Committees

The following table provides a summary of the allocation of responsibilities between Board Committees.

Committee	Role
Board Risk Committee (BRiC)	The BRiC assists the Board by providing oversight of Macquarie's risk management framework and advising the Board on Macquarie's risk appetite, risk culture and risk management strategy. Except to the extent another Board Committee is responsible, the BRiC receives information on material risks and reviews the impact of developments in markets in which Macquarie operates on its risk position and profile. The BRiC monitors Macquarie's risk culture and, with assistance from the BGCC, conduct risk and certain other non-financial risks, and forms a view on Macquarie's risk culture and the extent to which it supports the ability of Macquarie to operate consistently within its risk appetite. The CRO reports directly to the CEO and has a secondary reporting line to the BRiC.
Board Governance and Compliance Committee (BGCC)	The BGCC assists the Board with adopting the most appropriate corporate governance standards for Macquarie and assists the Board in monitoring regulatory, legal, compliance and financial crime risk matters for Macquarie, including reviewing and monitoring compliance with Macquarie's *Conduct Risk Management Framework* and its implementation. In addition, the BGCC reviews and monitors Macquarie's work health and safety, environmental and social risk management policies, practices and performance, and customer and client reporting. The BRiC, BRC and BAC oversee aspects of the regulatory, legal and compliance risk matters for Macquarie relating to their duties and responsibilities.
Board Remuneration Committee (BRC)	The BRC assists the Board with overseeing the design, operation and monitoring of Macquarie's remuneration framework. It makes recommendations to the Board that promote appropriate remuneration policies and practices for Macquarie. The BRC reviews HR-related reports and consults with the BRiC, BGCC and BAC to ensure risk outcomes are appropriately reflected in remuneration outcomes. The BRC is also responsible for remuneration-related disclosures in the Remuneration Report.
Board Audit Committee (BAC)	The BAC assists the Board with its oversight of the quality and integrity of the accounting, auditing and financial reporting of Macquarie. The BAC also reviews the adequacy of Macquarie's control framework for financial regulatory reporting to APRA and prudential regulators in other jurisdictions and monitors the internal financial control environment. The BAC at least annually, reviews and assesses, and reports to the Board on the quality, effectiveness, objectivity and independence of the external auditor, and other matters relating to the prior year's audit and reports to the Board on the annual performance review of the external auditor. The BAC reviews reports from the external auditor and Internal Audit, referring matters relating to the duties and responsibilities of the BRiC and BGCC to the appropriate Board Committee. The BAC also monitors and reviews the performance objectives and rating, remuneration and the degree of independence of the Head of Internal Audit and the effectiveness of the Internal Audit function.
Board Nominating Committee (BNC)	The BNC assists the Board and MBL in satisfying itself that it has an appropriate mix of skills, experience, tenure and diversity for each board to be an effective decision-making body and to provide successful oversight and stewardship of Macquarie and MBL respectively.

Board and Board Committee membership

The Board has eight Directors, comprising seven Independent Directors and one Executive Director, who is the MGL Managing Director and Chief Executive Officer (CEO).

The Chair of the Board is Mr Glenn Stevens, an Independent Director, who has been the Chair of the Board since 10 May 2022. Ms Shemara Wikramanayake is the CEO of MGL.

Each Board Committee has an Independent Director as its Chair and comprises members who are Independent Directors. Other than the Chair of the Board, all Independent Directors are members of at least two Board Committees and all Independent Directors are members of the BNC.

The Chair of the Board and the CEO receive a standing invitation to all Board Committee meetings and attend as they consider appropriate.

There were no changes to MGL Board and Board Committee memberships during FY2025.

Members' attendance at Board and Board Committee meetings during the past year is contained on page 91 in the **Directors' Report** section of this Annual Report.

The following table sets out the current composition of the Board, each Director's date of appointment and the membership of each Board Committee.

	MGL Board	Risk	Governance and Compliance	Remuneration	Audit	Nominating
MGL Independent Directors (when commenced)						
Glenn Stevens (November 2017)	Chair					Chair
Jillian Broadbent (November 2018)	Member	Member		Chair		Member
Philip Coffey (August 2018)	Member	Chair	Member			Member
Michelle Hinchliffe (March 2022)	Member		Member		Chair	Member
Susan Lloyd-Hurwitz (June 2023)	Member			Member	Member	Member
Rebecca McGrath (January 2021)	Member	Member	Chair			Member
Mike Roche (January 2021)	Member	Member		Member	Member	Member
MGL CEO (when commenced)						
Shemara Wikramanayake (August 2018)	Member					

Board skills and experience

The Board believes that its membership should comprise high calibre directors with an appropriate mix and diversity of skills, professional experience, tenure and personal background that allow the Directors individually, and the Board collectively, to:

- discharge their responsibilities and duties under the law effectively and efficiently
- consider and form a view on Macquarie's culture and governance
- understand the business of Macquarie and the environment in which it operates so as to be able to set, with management, the objectives, goals and strategic direction that will promote the creation of superior and sustainable shareholder value; and meet Macquarie's responsibilities to its shareholders, funders, clients, employees and the communities in which it operates
- assess the performance of management in meeting those objectives and goals.

Accordingly, in selecting potential new Directors, the BNC identifies the competencies and diversity required to enable the Board to fulfil its responsibilities. In doing so, the BNC has regard to the results of the annual appraisal of the Board's performance, the performance of each Director and ongoing succession planning. The BNC also considers the necessary and desirable competencies of new MBL directors.

The Board comprises highly experienced senior business leaders from a variety of professional backgrounds who each meet the fundamental requirements and, collectively, possess the skills, experience, tenure and diversity considered necessary to appropriately govern an ASX-listed, global, diversified financial group.

The skills of the BONDs on the MBL Board, including skills in technology, digital and financial services regulation, continue to complement those of the MGL Board.

From time to time there are areas identified by the Board where additional knowledge would be beneficial, which it addresses by engaging external advisers, conducting site visits, Board workshops and/or requesting more detailed reporting from management. Sustainability reporting, artificial intelligence, and digital operational resilience are examples where this approach has been taken.

Details of the Directors' qualifications and experience are contained on pages 92 to 96 in the **Directors' Report** section of this Annual Report.

Corporate Governance Statement

Continued

Skills matrix summary

The competencies of the current Board members and the number of Directors with each skill and their experience is set out below.

Skill	Description	Number of Directors[1]
Leadership		
Large P&L leadership (CEO experience)	International CEO experience, significant P&L leadership, financial services (or other relevant industry) leadership, and long-term value creation	7
International business	International leadership, multi-country acquisition integration, internationalisation of a high-performance culture, internationalisation of remuneration and incentives, and international business connections	5
Customer and growth		
Innovation/growth mindset	Portfolio approach to innovation, growth business leadership, early adopter mindset, and multi-decade investment horizon	5
Financial services customer/ client understanding	Customer advocacy, financial services customer segments, financial services customer needs and frustrations, and the digital expectations of customers	7
Finance and commercial		
Financial, commercial and strategic acumen	Portfolio based capital allocation, multi-jurisdictional financial systems and processes, successful strategic development and implementation, and business planning and budgeting	8
Technical audit	Financial services accounting, external and internal audit, financial controllership, and process and preparation of financial statements	2
Governance, risk and legal		
Large listed governance	Relevant board experience, board/committee leadership, board procedures and processes, investor engagement, and continuous disclosure regime	8
Financial services regulation	Knowledge of regulation, regulatory relationship leadership, proactive regulatory engagement, regulatory process and decision makers, and regulatory negotiation	6
Sustainability governance	Understanding of sustainability governance within a large organisation including knowledge of sustainability practices, integration of sustainability into strategy, identification and management of sustainability-related (including climate-related) risks and opportunities, greenwashing, oversight mechanisms and sustainability reporting	2
Functional oversight		
People, culture and remuneration	Setting a balanced remuneration framework, external remuneration engagement, short and long-term incentives, and succession planning	7
Change management	Major project governance and oversight, vendor management, change management, and project risk and oversight	5
Technology and digital	Financial services technology, systems integration and vendor management, data management, privacy and data regulation, cybersecurity risk, digital strategy, and execution of digital transformation	1
Risk governance	Risk management systems, risk reporting to the board, crisis management, regulatory risk management, HR and people risks, and development, construction and operations	8
Bank/Group specific		
Australian retail/ commercial banking	Australian financial services understanding, banking P&L leadership, retail banking experience, mortgage oversight, banking systems, and wealth management	5
Global financial and capital markets	Trading P&L leadership, trading risk oversight, and global markets understanding	7
Global funds management	Funds management P&L leadership, private asset investment, public securities investment, emerging markets investment, and client knowledge	5
Global investment banking	Global investment banking experience, investment banking P&L leadership, investment banking risk oversight, investment banking people and culture oversight, debt and equity capital markets, advisory, and merchant banking	5

1 Number of directors who have a primary skill (i.e. a consistent ability to identify complex issues) in each area.

Director independence

Macquarie recognises that independent directors have an important role in assuring shareholders that the Board is able to act in the best interests of MGL and independently of management. MGL's NEDs meet regularly in the absence of management and Directors are also able to consult independent experts at MGL's expense, subject to the estimated costs being approved by the Chair in advance as being reasonable. The Board Charter requires that the Board has a majority of NEDs who satisfy MGL's criteria for independence.

The independence of NEDs is assessed prior to appointment and reviewed annually by the BGCC. The Board believes that independence is evidenced by an ability to constructively challenge and independently contribute to the work of the Board. MGL's criteria for assessing director independence align with the guidance provided in the 4th edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

88% of Board members are Independent Directors

100% of Board Committee members are Independent Directors

The findings of the annual review of Director independence by the BGCC are considered by the Board. As part of the review, MGL's criteria for assessing director independence are sent to each Independent Director. They are requested to confirm whether they have any interests, positions or relationships with Macquarie that could materially interfere with the Director's capacity to bring independent judgement on matters before the Board and act in the best interests of MGL. This year, there were no material or substantial relationships that were assessed as impacting on the independent judgement of MGL's NEDs. Some of the Directors hold positions in companies with which Macquarie has commercial relationships. All these dealings are not material and are in the ordinary course of business on arm's length commercial terms.

Dealing with potential conflicts of interest

Macquarie recognises that conflicts of interest or potential conflicts of interest may arise from time to time for its Directors. Macquarie has in place procedures to identify and monitor for such conflicts and to adopt appropriate measures where these arise.

The Board has protocols for its members for declaring and dealing with potential conflicts of interest that include:

- Board members declaring their interests required under the Act, the ASX Listing Rules and general law requirements
- Board members with a material personal interest in a matter before the Board not receiving the relevant Board paper and not being present at the Board meeting during the consideration of the matter and subsequent vote, unless the Board (excluding the relevant Board member) resolves otherwise
- as a general rule, Board members with other conflicts not involving a material personal interest in a matter before the Board should not receive the relevant Board paper and not be present at the Board meeting during discussion of the matter.

MBL is a subsidiary of MGL and all MGL NEDs generally also serve on the MBL Board. The MBL Board is ultimately responsible for the sound and prudent management of MBL, with due consideration to the interests of deposit holders. Where potential conflicts arise, there are a number of measures available to Directors of the relevant Board to deal with such conflicts (e.g. consideration by the MBL Board Conflicts Committee, BOND representation on the MBL Board and Board Committees, etc.). Management will also assist by giving Directors sufficient information to manage conflicts appropriately. Each Director has the ability to obtain independent advice or consult with independent experts where that Director considers it necessary to carry out their duties and responsibilities.

Culture and values

The Board approves the *Code of Conduct* and oversees that the culture instilled by management reflects the principles enshrined within it:

Opportunity	**We are entrepreneurial.** Our people come from diverse backgrounds and are empowered to work together to pursue innovative ideas, to solve problems and challenge conventional thinking and the status quo. We work hard and with enthusiasm and everyone has the opportunity to achieve to their full potential. We have a learning and growth mindset, and continually evolve our expertise. We recognise and reward performance.
Accountability	**We take pride and ownership of the long-term outcomes we deliver for our clients and shareholders, our communities and each other.** We manage risk to ensure these outcomes are sustainable and invest our time and capital to contribute to a better future. We take ownership of the performance of our endeavours and seek to quickly identify and respond to change, emerging issues and trends.
Integrity	**We operate with care and professionalism.** We work collaboratively to amplify our impact and consider the effect of our decisions on others. We have the courage, and are encouraged, to speak up with our ideas, when we make a mistake or see something that doesn't seem right. We respect the law, community expectations, our regulators, shareholders, clients and customers and each other.

Corporate Governance Statement

Continued

The Board oversees compliance with key policies that are intended to instil a culture of acting lawfully, ethically and responsibly. An overview of the key policies that apply to our staff, such as the *Whistleblower Policy* and *Anti-bribery and Corruption Policy*, is provided in Macquarie's *Code of Conduct*. Material incidents and breaches relating to those policies and the *Code of Conduct* are reported to the Board, typically through the relevant Board Committee.

Macquarie's Code of Conduct

The Board approved Code of Conduct, which applies to Macquarie's staff and non-executive directors:

- incorporates *What We Stand For*: Macquarie's purpose and the principles of Opportunity, Accountability and Integrity that guide the way staff conduct business
- provides clear guidance on good decision-making and escalation, encouraging staff to speak up and report genuine concerns about improper conduct
- reinforces the main requirements of Macquarie's key policies.

To ensure Macquarie's culture of honesty and integrity remains strong throughout the organisation, all staff who join Macquarie receive specific training on *What We Stand For* and the *Code of Conduct*. Existing staff also receive periodic training and sign an annual certification that they understand the obligations imposed on them by the *Code of Conduct* as well as their responsibility to adhere to the Code.

The Integrity Office

Consistent with the principles of *What We Stand For*, Macquarie is committed to providing an environment in which people are comfortable escalating improper conduct or voicing concerns about unethical behaviour. The *Code of Conduct* sets out the expectation that staff speak up, and outlines the mechanisms, support and protections available to staff who do so.

The Integrity Office, established in 1998, supports this commitment as an internally independent function dedicated to receiving and investigating concerns about improper conduct or unethical behaviour and protecting those who raise concerns.

Macquarie's Whistleblower Program (Program) provides numerous channels for staff and external parties to confidentially raise concerns about improper conduct, including suspected breaches of the *Code of Conduct.* The Program, which is managed by the Integrity Office, is supported by the *Whistleblower Policy* and the Integrity Hotline, an externally managed service that enables concerns to be raised anonymously. All concerns raised with the Integrity Office or through the Integrity Hotline are assessed and where appropriate, investigated.

The Integrity Office reports directly to MGL's CEO and provides an annual report to the BGCC. Supporting the Group Integrity Officer are Regional Integrity Officers located in various Macquarie offices around the world. The Integrity Office also promotes high ethical standards and good decision-making through communications and engagement with staff.

Customer Advocate

Macquarie established the Customer Advocate office in March 2017 to enhance its continuing commitment to its Australian retail and small business customers. In addition to customer support provided by the business, the Customer Advocate's role is to:

- listen to Macquarie's customers and provide a customer-centric voice when making recommendations to improve customer experience
- minimise the risk of future problems by reviewing key customer themes and new product approvals to identify opportunities to enhance products, services, systems and processes
- work with Macquarie complaint teams to promote fair and reasonable customer outcomes.

The Customer Advocate reports directly to the CEO and provides reporting to the BGCC.

Anti-bribery and Corruption Policy

Macquarie's *Anti-bribery and Corruption Policy* strictly prohibits the actual or attempted use of any form of bribery or corruption, including by associates, whether direct or indirect and whether involving Public Officials or private persons. Bribery and corruption are incompatible with the *Code of Conduct*, *What We Stand For* and the probity and integrity expected of Macquarie's NEDs and staff.

RMG, headed by the CRO, oversees the operation of the policy.

Our inclusive culture

Macquarie recognises that the diversity of its people is one of its greatest strengths and is fundamental to Macquarie's success. An inclusive workplace enables Macquarie to embrace diversity to deliver more innovative and sustainable solutions for its people, clients, shareholders and communities.

Macquarie's *Workforce Diversity Policy* defines its diversity commitment and the structures in place to promote:

- a diverse workforce that is reflective of the communities in which Macquarie operates
- an inclusive culture that welcomes a range of ideas and perspectives; and
- a workplace environment which empowers individuals to explore what's possible and deliver to their greatest potential.

The BRC receives reporting on this commitment at least annually and oversees progress against diversity objectives, which include ensuring representation of under-represented groups at all levels in the Macquarie workforce. This includes female representation at senior leadership levels (Board of Directors, Executive Committee, Division Head and Senior Executive).

All Macquarie staff, including its most senior leaders, are required to have annual diversity objectives, driving accountability from the top down. Macquarie's management committees are accountable for overseeing progress towards Macquarie's diversity objectives. They are supported by dedicated Diversity Representatives, staff representatives and committees who together respond to business or location specific priorities or circumstances.

Macquarie's objectives, actions and progress against key metrics for achieving diversity are detailed on pages 76 to 78 in the **Sustainability Report** section of this Annual Report.

Macquarie and the community

Macquarie supports the wider community through various programs, including the Macquarie Group Foundation's (Foundation) employee engagement, grantmaking and social impact investing, and Macquarie Sports and the Macquarie Group Collection (Collection).

The Foundation is governed by the Macquarie Group Foundation Committee (Committee), which comprises senior executives from across Macquarie. In FY2025, the Committee was chaired by Mr Alex Harvey, Chief Financial Officer of Macquarie.

Committee members bring specific areas of expertise and experience and represent the geographical spread of Macquarie's employees. The Committee meets regularly to assess funding applications, review the Foundation's activities, and to set and monitor strategy.

The Foundation's Social Impact Investment Advisory Committee (SIIAC) and Macquarie Sports Advisory Committee comprise senior employees with a range of experience from across Macquarie.

Acquisitions for the Macquarie Group Collection are made by an Art Committee, comprising Macquarie employees, together with a curatorial consultant. The Collection has a cohesive integrity and it is the Art Committee's responsibility to uphold this integrity through the acquisition process.

Further information is available on page 82 in the **Sustainability Report** section of this Annual Report.

Corporate reporting

Periodic corporate reports are verified internally by management prior to release to ASX and subject to external audit or review by PwC as required. The verification process allocates disclosures within the relevant document to designated persons to substantiate the disclosures by reference to company source documents or, if no source documents are available, by persons with the knowledge and expertise to confirm the accuracy and completeness of the disclosures.

Financial reporting

On behalf of the Board, the BAC:

- **oversees the quality and integrity of Macquarie's financial reporting and the operation of the financial reporting processes:** The processes are aimed at providing assurance that the financial statements and related notes are complete, in accordance with applicable legal requirements and accounting standards and give a true and fair view of Macquarie's financial position and financial performance. During its review of Macquarie's interim and year-end financial reports the BAC meets with the external auditor in the absence of management
- **reviews the external auditor engagement:** At least annually, the BAC reviews the terms of the engagement and assesses the performance, quality, expertise, resources and qualifications, objectivity, independence and effectiveness of the external auditor. The BAC oversees a more detailed, comprehensive review of the external auditor at least every five years. The governance framework for the external auditor is described on page 48. The BAC at least annually recommends to the Board the continuation of, appointment of a new, or removal of the existing external auditor
- **monitors and reviews the operation of Internal Audit:** The BAC monitors and reviews the degree of independence of Internal Audit, approves the Internal Audit annual plan and monitors and reviews the effectiveness of the Internal Audit function. The Head of Internal Audit reports functionally to the BAC and meets with the Chair of the BAC before each BAC meeting. The BAC reviews the performance and remuneration (after seeking input from the CRO) of the Head of Internal Audit and approves their appointment and removal
- **reviews the adequacy of Macquarie's control framework for financial regulatory reporting to banking regulators:** The BAC receives reports prepared by management that assess the financial control effectiveness of Macquarie's Operating and Central Services Groups.

Auditor independence

Before the Board approves the interim and year-end financial reports, the BAC reviews the independence of the external auditor, PricewaterhouseCoopers (PwC).

Macquarie's *Audit and Assurance Independence Policy* sets out the independence requirements Macquarie requires of its auditor. The policy supplements the legal and professional standard requirements applicable to its auditor in each jurisdiction. The policy ensures the independence of the audit firm from MGL, its subsidiaries and Macquarie's managed funds and their controlled portfolio companies.

To ensure an effective and efficient audit, and to ensure the independence of the auditor, the policy guides the use of a single audit firm for MGL, its subsidiaries, Macquarie's managed funds and their controlled portfolio companies (where circumstances allow, and Macquarie has the power to require such appointment).

Where non-audit work to be performed by the external auditor falls outside the scope of pre-approved services or the proposed engagement fee exceeds the policy's local currency threshold, the policy requires BAC approval, or approval of the BAC Chair between meetings for subsequent noting by the BAC.

The policy, which reflects Australian legal requirements, also requires that Macquarie's lead auditor and review auditor be rotated every five years unless the Board grants approval to extend the term for up to a further two years.

Ms Voula Papageorgiou of PwC has been Macquarie's lead auditor since FY2024. PwC attended the Annual General Meeting (AGM) held during the reporting period and was available to answer questions about the conduct of the audit, and the preparation and content of the auditor's report.

Macquarie's auditor provides a declaration to the BAC at the time of Macquarie's interim and year-end financial reports, that no prohibited non-audit services have been provided. The external auditor is also required to declare in their audit report that they are independent of MGL and its subsidiaries in accordance with the auditor independence requirements of the Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) that are relevant to its audit of the financial report in Australia.

Review of the quality and effectiveness of the external auditor's performance

The BAC conducts an annual review of the quality and effectiveness of the external auditor, including qualifications, expertise, resources and performance of the external auditor, PwC. In addition to the BAC's annual external auditor review processes, a more detailed comprehensive review of the external auditor occurs at least every five years.

The annual evaluation involves assessing PwC's performance against ASIC's audit quality guidance, obtaining feedback from the Board and senior stakeholders across various Macquarie finance and business teams, and obtaining and reviewing feedback from PwC on the results of any internal or other external audit quality reviews relating to the audit.

The comprehensive review considers the performance of the audit firm over several years – both at Macquarie and as an audit firm in servicing its clients, its industry expertise, application of professional scepticism, internal quality processes and independence processes. This enhanced periodic review strengthens the governance framework for the external auditor and helps manage risks relating to the external auditor's independence and effectiveness, which may include the risk of institutional familiarity arising from the external auditor's tenure.

The outcomes of the annual and comprehensive (as applicable) reviews are presented to and discussed with the BAC, and separately discussed with PwC.

Based on the outcomes of the annual evaluation, and the auditor's independence confirmations, the BAC recommended to the Board that PwC continue in its role as Macquarie's external auditor.

Audit tender

Macquarie's *Audit and Assurance Independence Policy* sets out that Macquarie will tender the audit of MGL and its subsidiaries every 10 years and requires the same of its managed funds and their controlled portfolio companies, where circumstances allow and Macquarie has the power to require such appointment.

Macquarie has commenced the tender of the audit of MGL, its subsidiaries, and its managed funds for financial years commencing on or after 1 April 2027. The tender is expected to conclude in FY2026.

Board evaluation and consideration

In FY2025, the Board exercised its continuing oversight of the performance of the external auditor.

Based on that assessment, the results of the auditor independence reviews and recommendation of the BAC, in May 2025 the Board agreed that PwC should continue as Macquarie's external auditor.

Chief Executive Officer and Chief Financial Officer declaration

Before the MGL and MBL Boards consider and approve the interim and year-end financial statements, each Board receives written confirmation from their respective CEO and the Chief Financial Officer (CFO) that, in their opinion, the financial records have been properly maintained, the financial statements comply with the appropriate accounting standards and give a true and fair view of the company's financial position and performance, in relation to year-end financial statements that the consolidated entity disclosure statement is true and correct, and their opinion is based on a sound system of risk management and internal control which is operating effectively in all material respects.

Commitment to shareholders and an informed market

Macquarie is committed to ensuring that the market as a whole is relevantly and consistently informed regarding information about Macquarie by providing securityholders and the market with timely, balanced, direct and equal access to information issued by Macquarie, to promote investor confidence in the integrity of Macquarie and in the trading of its securities.

Macquarie has a *Continuous Disclosure Policy*, which outlines the responsibility of the Continuous Disclosure Committee for authorising the release of any price sensitive market announcements, unless such announcement requires Board approval.

All external communications that include any price sensitive material for public announcement, annual and interim result announcements, release of financial reports, presentations to investors and analysts and other prepared investor presentations for Macquarie will, in accordance with the *Continuous Disclosure Policy:*

- be factual and subject to internal review and authorisation before issue
- not omit material information
- be timely and expressed in a clear and objective manner.

Material announcements relating to matters that fall within the reserved powers of the Board and not delegated to management, or which are otherwise clearly within the purview of the Board's responsibilities, are referred to the Board for approval. The Board receives copies of material market announcements promptly after they have been released by ASX.

Macquarie has an investor relations program to facilitate effective two-way communication with investors and analysts and to provide a greater understanding of Macquarie's business, performance, governance and financial prospects. Macquarie engages with institutional investors, private investors, sell-side analysts and buy-side analysts throughout the year via scheduled and ad hoc interactions.

As part of Macquarie's commitment to keep its investor base informed, management presents at various investment conferences and conducts investor visits and meetings (including virtual) throughout the year.

Shareholder meetings

MGL encourages shareholders to participate in general meetings and aims to choose a date, time and venue convenient to its shareholders. For shareholders who are unable to attend in person, MGL provides a webcast of its AGM and any other general meetings. The results of all resolutions are lodged with ASX as soon as they are available after the meeting.

MGL typically holds its AGM in July each year.

Notices of meeting are accompanied by explanatory notes on the items of business and together they seek to clearly explain the nature of business of the meeting.

If shareholders are unable to attend the meeting, they are encouraged to vote on the proposed motions by appointing a proxy. The proxy form sent to shareholders explains how to appoint a proxy. Online proxy voting is also available to shareholders.

Unless specifically stated in a notice of meeting, all holders of fully paid ordinary shares are eligible to vote on all resolutions. MGL's practice is that voting on each proposed resolution is conducted by poll.

MGL seeks to conduct its shareholder meetings in a courteous manner for those attending. In the interests of attending shareholders, the Chair of the meeting will exercise their powers to ensure the meeting is conducted in an orderly and timely fashion.

MGL's 2024 AGM was held as a hybrid meeting with shareholders able to attend in person or online. Shareholders were provided with various alternatives to participate in the AGM, including by watching the AGM live through a facility that enabled shareholders to vote and to ask questions or make comments online and a dial-in teleconference to listen to the meeting live and ask audible questions but not vote.

Risk governance

Macquarie's approach to risk management is based on stable and robust core risk management principles.

All staff have a role in managing risk

Ownership of risk at the business level

Understanding worst case outcomes

Independent sign-off by Risk Management Group

The Board annually approves Macquarie's *Risk Appetite Statement* and *Risk Management Strategy*. The BRiC assists the Board by providing oversight of Macquarie's risk management framework and advising the Board on Macquarie's risk appetite, risk culture and risk management strategy.

The BRiC constructively challenges management's proposals and decisions on risk management arising from Macquarie's activities. The Board is also assisted by the BAC, BRC and BGCC in its oversight of material risks.

Each year, including FY2025, the Board oversees management's operation of Macquarie's risk management framework to satisfy itself that the framework continues to be appropriate and that Macquarie is operating with due regard to the risk appetite set by the Board. The risk management framework is reviewed by the relevant Risk Management Group (RMG) divisions and the results are reported to the Board and relevant Board Committees.

Macquarie's risk management framework incorporates active management, monitoring and reporting of all material risks. Macquarie's governance structure ensures that senior management and the Board have a comprehensive view of all material risks through regular reporting of Macquarie's risk position and profile to management committees, the Board and Board Committees.

The Internal Audit Division (IAD) independently and objectively reviews the compliance with, and effectiveness of, Macquarie's risk management framework at least annually, with coverage of all material elements of the framework over a 3-year period.

The risk management framework has been established on the premise that a disciplined approach to risk management is best maintained with a single risk management framework that is applied appropriately throughout Macquarie (including the Bank Group). In addition, the Bank Group maintains its own governance structure, which includes the MBL Board and Board Committees, MBL CEO, MBL Executive Committee and other management committees.

Macquarie's risk culture

Risk culture is foundational to risk management, supporting our ability to operate within risk appetite. Maintaining an appropriate and effective risk culture continues to be integral to Macquarie's risk management framework. The Board, assisted by the BRiC, is responsible for forming a view of risk culture within Macquarie and the extent to which it supports the ability of Macquarie to operate consistently within its risk appetite. Through its oversight, the Board can also identify any necessary or desirable changes and focus areas to strengthen risk culture at Macquarie. All staff throughout Macquarie have a role in managing risk and are expected to manage risks in accordance with Macquarie's risk management framework.

Chief Risk Officer

The Head of RMG, as Macquarie's CRO, reports directly to the CEO and is a member of the Executive Committee. The CRO has a secondary reporting line to the BRiC, which reviews the performance and objectives of the CRO and approves the appointment and removal of the CRO. The CRO has unfettered access to the Board and BRiC members. The BRiC meets privately with the CRO at least annually. The CRO reports risk matters at each BRiC meeting and Board meetings, as needed.

Internal audit

The IAD provides independent and objective risk-based assurance to the BAC, Board, other relevant Board Committees and Senior Management on the compliance with, and effectiveness of, Macquarie's financial and risk management framework, including its governance, systems, structures, policies, processes and people for managing material risks.

The structure of the IAD, and further details of Macquarie's risk management approach, are contained on pages 54 to 60 in the **Risk Management** section of this Annual Report.

Environmental and social risk

The Board and management recognise the importance of sound environmental, social and governance practices as part of their responsibility to our shareholders, funders, clients, employees and the communities in which Macquarie operates.

Environmental (including climate) and social risks have been identified as material risks within Macquarie's risk appetite statement and risk management strategy. Information on Macquarie's management of environmental and social risks, including climate-related, nature-related, and human rights risks, is contained on pages 62 to 85 in the Sustainability Report section of this Annual Report and in Macquarie's Modern Slavery Statement.

Oversight of remuneration

Macquarie's longstanding and consistent approach to remuneration continues to support Macquarie's purpose statement, 'Empowering people to innovate and invest for a better future'. Staff interests are aligned with shareholders to meet the needs of clients and customers, while ensuring that the spirit and intent of regulatory requirements are upheld. This broad approach has been in place since Macquarie's inception and is reviewed regularly to ensure the framework continues to meet our remuneration objectives and aligns with our remuneration principles and the expectations of stakeholders.

MGL's NEDs oversee Macquarie's remuneration framework. The BRC assists the Board with overseeing the design, operation and monitoring of the remuneration framework and makes recommendations to the Board that promote appropriate remuneration policies and practices.

Non-Executive Director remuneration

MGL's NEDs are remunerated for their services from the maximum aggregate annual amount approved by shareholders, currently $A5 million. They do not receive payments on their retirement from office other than payments relating to their accrued superannuation contributions comprising part of their remuneration, if any.

To align the interests of the Board with shareholders, NEDs are required to have a meaningful direct shareholding in MGL. Unlike Macquarie executives, NEDs are not granted equity nor are they eligible to receive profit share payments.

The Board minimum shareholding requirement for:

- NEDs other than the Chair, is an investment equivalent to one times the average annual NED fee for the financial year ended prior to their appointment
- the Chair, is an investment equivalent to one times the annual Chair fee

with the minimum number of shares to be acquired by NEDs determined using the share price as at the date of appointment.

The above requirements apply to MGL's NEDs and are to be met within three years from appointment with one third of the requirement to be held after one year, two thirds after two years and in full after three years.

Each NED's current Macquarie shareholding is set out in the Key Management Personnel disclosure on page 146 in the **Remuneration Report** section of this Annual Report.

Executive remuneration

Macquarie's remuneration framework has been a key driver of our sustained success as an international organisation. Staff are motivated to grow businesses over the medium to long-term, taking accountability for all decisions and their accompanying risk management, customer, economic and reputational outcomes. This approach has been fundamental in ensuring we can continue to attract, motivate and retain exceptional and entrepreneurial people with deep industry expertise across the 31 markets in which we operate. It is characterised by an emphasis on performance-based remuneration, profit share determined based on a range of financial and non-financial factors and retaining a significant proportion of performance-based remuneration to enable risk outcomes to be considered over a longer period.

Macquarie's remuneration framework works as an integrated whole. An individual's remuneration comprises fixed remuneration, profit share and, for Executive Committee members (our Executive Key Management Personnel (Executive KMP)), Performance Share Units. Macquarie retains a percentage of each individuals' annual profit share allocation (retained profit share) above a certain threshold. This is invested in a combination of Macquarie ordinary shares under the Macquarie Group Employee Retained Equity Plan and Macquarie-managed fund equity.

Details of Macquarie's approach and the amount of remuneration paid to NEDs and Executive KMP are contained on pages 102 to 152 in the **Remuneration Report** section of this Annual Report.

Corporate Governance Statement

Continued

Key policies

Dealing with potential conflicts

Macquarie's *Conflicts of Interest Policy* sets out the framework, controls and administration for identifying, preventing and managing conflicts of interest – whether actual, potential or perceived.

Macquarie has established various systems and controls to prevent and manage conflicts of interest, many of which are outlined in Macquarie's policies in relation to conflicts of interest, information barriers and confidentiality, investment research, personal investments, gifts and entertainment, outside business activities, allocations of financial products, personal relationships in the workplace and political contributions. Conflict checks are required prior to entering into certain business arrangements.

Staff are expected to appropriately manage or avoid any conflict of interest between Macquarie or its clients and the interests of a staff member. Activities such as personal investment and outside business activities are subject to disclosure and pre-approval.

Managing conflicts of interest forms part of the training on *What We Stand For* and the *Code of Conduct* for all new and existing staff.

Trading Macquarie securities

Key requirements of the *Trading Policy* include:

- **trading prohibition while in possession of material non-public information:** dealing in Macquarie securities while in possession of inside information is prohibited
- **trading windows:** generally, Directors and staff may only trade in Macquarie securities during designated trading windows following MGL's announcement of its interim results, full year results and AGM
- **pre-clear securities trading:** directors and staff must pre-clear their Macquarie securities trading
- **excluded dealings:** certain types of transactions such as acquisition of securities under an employee share plan or participation in a dividend reinvestment plan may be effected outside a trading window without pre-clearance
- **unvested equity held in the MEREP and shares held to meet the minimum shareholding requirement cannot be hedged.**

Each member of the Board is encouraged to consider positions in a Macquarie security as a long-term investment and is not permitted to trade derivatives relating to a Macquarie security without the prior approval of the Board Chair (in consultation with the CEO). Board members and Executive KMP are also required to annually disclose to Macquarie any financing arrangements relating to their Macquarie securities and manage their financing arrangements in accordance with Macquarie's policies.

Corporate governance in Macquarie-managed funds

Macquarie's expertise in managing fund assets and sourcing new value-adding opportunities is a key attraction for investors in Macquarie-managed funds (Funds).

The Funds adopt an appropriate governance framework to ensure that key decisions are taken in the best interests of investors consistent with the Funds' mandates and regulatory requirements.

This Corporate Governance Statement is current as at 8 May 2025 and has been approved by the Board.

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Risk Management

Risk governance at Macquarie

Role of the Board

The role of the Board is to promote the long-term interests of Macquarie, taking into account Macquarie's specific and broader responsibilities to its shareholders, funders, clients, staff and the communities in which it operates. In accomplishing its role with respect to risk management, among the Board's key responsibilities are oversight of management's operation of Macquarie's risk management framework, approving risk appetite and the risk management strategy, engagement with key regulators and forming a view of risk culture.

Role of Management

Each Group Head is responsible for the implementation of the risk management framework within their Operating and Central Service Group, of which they are required semi-annually to attest that key risks have been identified and are adequately controlled. These management representations support the sign-off of the half-year and full-year financial statements.

Three lines of defence

Macquarie's approach to risk management adopts the 'three lines of defence' model, which sets risk ownership responsibilities functionally independent from oversight and assurance:

- primary responsibility for day-to-day risk management lies with the business. The risk owner is the first line of defence
- the Risk Management Group (RMG) forms the second line of defence and provides independent and objective review and challenge, oversight, monitoring and reporting in relation to Macquarie's material risks
- the Internal Audit Division, as the third line, provides independent and objective risk-based assurance on the compliance with, and effectiveness of, Macquarie's financial and risk management framework.

Risk management framework

Macquarie's risk management framework is the totality of systems, structures, policies, processes and people within Macquarie that identify, measure, evaluate, monitor, report and control or mitigate all internal and external sources of material risk. Macquarie maintains a single risk management framework that is applied appropriately throughout the Operating and Central Service Groups.

In determining those risks that are material to Macquarie, we assess the potential for a risk to affect our earnings resilience and financial strength across market cycles, our ability to meet regulatory obligations, our stakeholders, and our reputation.

Macquarie's material risks include asset, conduct, country, credit, environmental and social, equity, financial crime, legal, liquidity, market, operational, regulatory and compliance, tax, technology and cyber, and work health and safety risks.

Macquarie is subject to laws, rules and regulations in various jurisdictions, and is supervised by regulators globally. Macquarie has policies, standards, and systems in place to support compliance with its obligations.

More details on Environmental and Social risks, and Work Health and Safety risks, are in the **Sustainability Report** of this Annual Report.

Risk management principles

Macquarie's approach to risk management is based on stable and robust core risk management principles. These are:

- **all staff have a role in managing risk:** All staff throughout Macquarie are expected to manage risks in accordance with the risk management framework and foster an appropriate and effective risk culture
- **ownership of risk at the business level:** Group Heads are responsible for ownership of material risks that arise in, or because of, their business operations, including identification, measurement, evaluation, monitoring, control and mitigation of these risks. Before making decisions, clear analysis of the risks is sought to ensure those decisions are consistent with the risk appetite and strategy of Macquarie
- **understanding worst-case outcomes:** Macquarie's risk management approach is based on examining the consequences of worst-case outcomes and determining whether these are acceptable and within Macquarie's risk appetite. This approach is adopted for all material risk types and is often achieved by stress testing. Macquarie operates a number of sophisticated quantitative risk management processes, but the foundation of the approach is the informed consideration of both quantitative and qualitative inputs by experienced professionals
- **requirement for an independent sign-off by RMG:** Macquarie places significant importance on having a strong, independent risk management function to review, challenge and sign-off all material risk acceptance decisions. It is essential that RMG has the capability to do this effectively. RMG has invested in recruiting skilled professionals from a range of industries, including those with trading or advisory and capital markets experience. For all material proposals, RMG's opinion must be sought at an early stage in the decision-making process. The approval document submitted to Senior Management must include independent input from RMG on risk and return.

Risk Management Group

RMG, which forms the second line of defence, is an independent and centralised function responsible for independent and objective review and challenge, oversight, monitoring and reporting in relation to Macquarie's material risks. RMG designs and oversees the implementation of the risk management framework. RMG is structured into specialist functional divisions (depicted below) and employs an integrated approach to risk analysis and management across risk classes. RMG's assessment and monitoring of risks involves a collaborative effort across the divisions to ensure a detailed analysis takes place both at the individual and aggregate risk level.

RMG's oversight of risk is based on five principles:

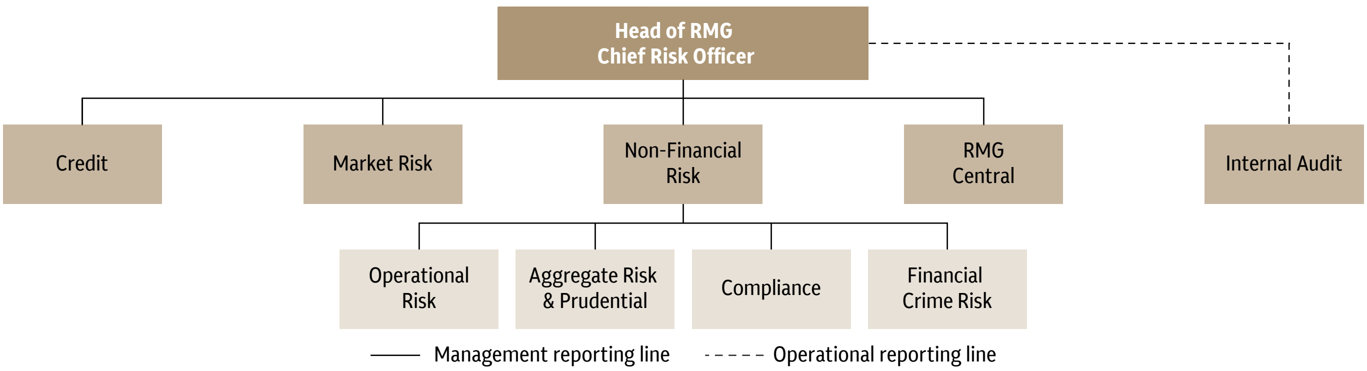
- **independence:** RMG is independent of Macquarie's Operating Groups and other Central Service Groups. The Head of RMG, as the CRO, reports directly to the CEO with a secondary reporting line to the BRiC. RMG approval is required for all material risk acceptance decisions
- **centralised risk management:** RMG's responsibility covers the whole of Macquarie. It assesses risks from a company-wide perspective and provides a consistent approach across Macquarie
- **approval of all new business activities:** the Operating and Central Service Groups may not undertake new businesses or activities, offer new products, enter new markets, or undertake significant projects without first consulting RMG. RMG reviews and assesses risks and sets limits. Where appropriate, these limits are approved by the Executive Committees and the Board
- **continuous assessment:** RMG continually reviews risks to account for changes in market circumstances and developments within Macquarie's business
- **frequent monitoring and reporting:** the risk profile of Macquarie with respect to material risks is monitored by RMG on an ongoing basis. Centralised systems allow RMG to monitor financial risks daily. For the valuation of all trading positions and deals, daily revaluation factors are sourced, where possible, from independent market sources and input independently of dealers. Reporting on material risks is provided to Senior Management, the Board and relevant Board Committees.

Internal audit

The Internal Audit Division (IAD), as the third line, provides independent and objective risk-based assurance to the Board Audit Committee (BAC), Board, other relevant Board Committees and Senior Management on the compliance with, and effectiveness of, Macquarie's financial and risk management framework, including its governance, systems, structures, policies, processes and people for managing material risks. The IAD assesses whether material risks have been properly identified by management and reported to the Board or relevant Board Committees, and whether key internal controls have been properly designed and are operating effectively and sustainably to mitigate those material risks.

The BAC has primary power of direction over the IAD and is accountable for reviewing the effectiveness of the IAD. The Head of Internal Audit reports functionally to the BAC and is primarily accountable to it. The Head of Internal Audit has unrestricted access to, and regularly meets privately with, the BAC (and its Chair). The BAC monitors and reviews the performance, objectives, ratings, remuneration and degree of independence of the Head of Internal Audit. The BAC also approves any appointment and removal of the Head of Internal Audit. The Head of Internal Audit reports operationally to the CRO for day-to-day management. For audit matters relating to RMG, the role of the CRO is substituted by the CEO.

RMG structure



Risk appetite

Risk appetite is set by the Board as the degree and type of risk that Macquarie is prepared to accept in pursuit of its strategy, giving consideration to the interests of its stakeholders. Macquarie's Board-approved *Risk Appetite Statement (RAS)* defines the overarching risk-taking settings of Macquarie through risk appetite and risk tolerances.

Strategic risks are considered and managed by the Operating and Central Service Groups. As part of Macquarie's Annual Strategy Review and Business Planning process, RMG undertakes an independent review of Macquarie's strategy and considers how risks identified could individually or in aggregate impact Macquarie's risk profile and risk appetite. Macquarie's strategy and the outcome of RMG's review together inform the annual review of Macquarie's risk appetite and tolerance settings.

Stress testing

Stress testing is a key component of Macquarie's risk management framework and is integrated with Macquarie's strategy review and financial forecasting. Stress testing, including scenario analysis and sensitivity analysis, is a key tool that informs the calibration of Macquarie's risk tolerances; provides insights into the Annual Strategy Review and Business Planning process; and tests and informs whether Macquarie's strategy remains, and is forecast to remain, in line with its risk appetite.

Policies

Policies are key tools for ensuring that risks taken are consistent with Macquarie's risk appetite. They are designed to set out the principles that govern decision-making across Macquarie.

New product and business approvals

All new products, new businesses, major organisational projects, and significant changes to existing products, businesses, processes or systems which will expose Macquarie to new or significantly varied risks must be assessed against the applicable risk appetite and tolerances.

The New Product and Business Approval process sets out the requirement for each Operating and Central Service Group to have a demonstrable robust change management process, and where relevant to ensure material risks are appropriately identified, assessed and are within Macquarie's risk appetite as defined in the RAS.

Risk culture

Risk culture is foundational to risk management, supporting our ability to operate within risk appetite. Maintaining an appropriate and effective risk culture continues to be integral to Macquarie's risk management framework. The Board, assisted by the BRiC, is responsible for forming a view of risk culture within Macquarie and the extent to which it supports the ability of Macquarie to operate consistently within its risk appetite. Through its oversight, the Board can also identify any necessary or desirable changes and focus areas required to strengthen risk culture at Macquarie.

Macquarie's approach to maintaining an appropriate and effective risk culture is based on an integrated and iterative cycle of:

- setting behavioural expectations, including through the *Code of Conduct*
- promoting risk culture by embedding the behavioural expectations into day-to-day practices. This is enabled through structural mechanisms, including performance-based remuneration and consequence management
- monitoring through qualitative and quantitative indicators, targeted assessments and reviews, and enabling the identification of focus areas
- reflecting to support the identification of necessary or desirable changes and focus areas.

Remuneration and consequence management

The Board considers the effective alignment of remuneration with prudent risk-taking as fundamental to Macquarie's remuneration approach. Financial and non-financial risk considerations, and recognition of behaviours that drive positive risk outcomes, are embedded throughout the remuneration process. This includes the way remuneration is structured and delivered, and the determination of individual profit share allocations, business group and company-wide profit share pools.

Effective consequence management is a key component of Macquarie's risk culture. Macquarie aims to apply consequences for non-compliance in a timely manner, and as fairly and consistently as possible.

More details on Macquarie's remuneration framework and consequence management process are in the **Remuneration Report** of this Annual Report.

Conduct risk

Macquarie defines conduct risk as the risk of business practices, behaviour, action or omission by individuals employed by, or on behalf of, Macquarie or taken collectively in representing Macquarie that may have a negative outcome for our clients, counterparties, the communities and markets in which we operate, our staff, or Macquarie.

Such behaviour, actions or omissions may include:

- breaches of laws or regulations
- disregard for Macquarie's principles of *What We Stand For* or the *Code of Conduct*
- negligence and/or a lack of reasonable care and diligence
- failure to escalate improper conduct
- inadequate product design and distribution.

Conduct risk can arise inadvertently or deliberately in any of Macquarie's Operating and Central Service Groups.

Macquarie's approach to conduct risk management is integrated in our risk management framework and is consistent with our three lines of defence model. Risk-taking must be consistent with Macquarie's Purpose, our principles of *What We Stand For*: *Opportunity, Accountability and Integrity* and the Board approved *Code of Conduct.*

Macquarie has a range of controls and processes in place to identify and manage conduct risk, including:

- new and emerging conduct risks are identified through the Annual Strategy Review and Business Planning process
- conduct risks that may arise when Macquarie establishes a new business or product, or makes a significant change to an existing business, product, process or system are identified and assessed through the New Product and Business Approval process
- independent monitoring and surveillance conducted by RMG, in addition to front line supervisory activities performed by the business
- the Risk and Control Self-Assessments require businesses to identify and assess their relevant risk event types related to conduct risk, supporting the efficient operation of markets through appropriate controls and monitoring
- where incidents occur, businesses investigate the underlying contributing behaviours and are responsible for recording conduct-related issues and incidents in Macquarie's Governance, Risk and Compliance system, and escalating within the set timeframes
- performance-based remuneration reflects an individual's performance, which is assessed against a range of financial and non-financial factors including approach to risk management and compliance
- an Integrity Office which is an internally independent function where staff can safely raise concerns about improper conduct, unethical behaviour or breaches of the *Code of Conduct,* and protects those who raise concerns under Macquarie's *Whistleblower Policy*
- an Integrity Hotline for staff and external parties who wish to speak up anonymously.

Market and credit risk

Year-end performance indicators

Macquarie monitors and measures a range of risks as outlined above in the risk management framework overview. The following graphs provide historical and current year information on key market and credit risks.

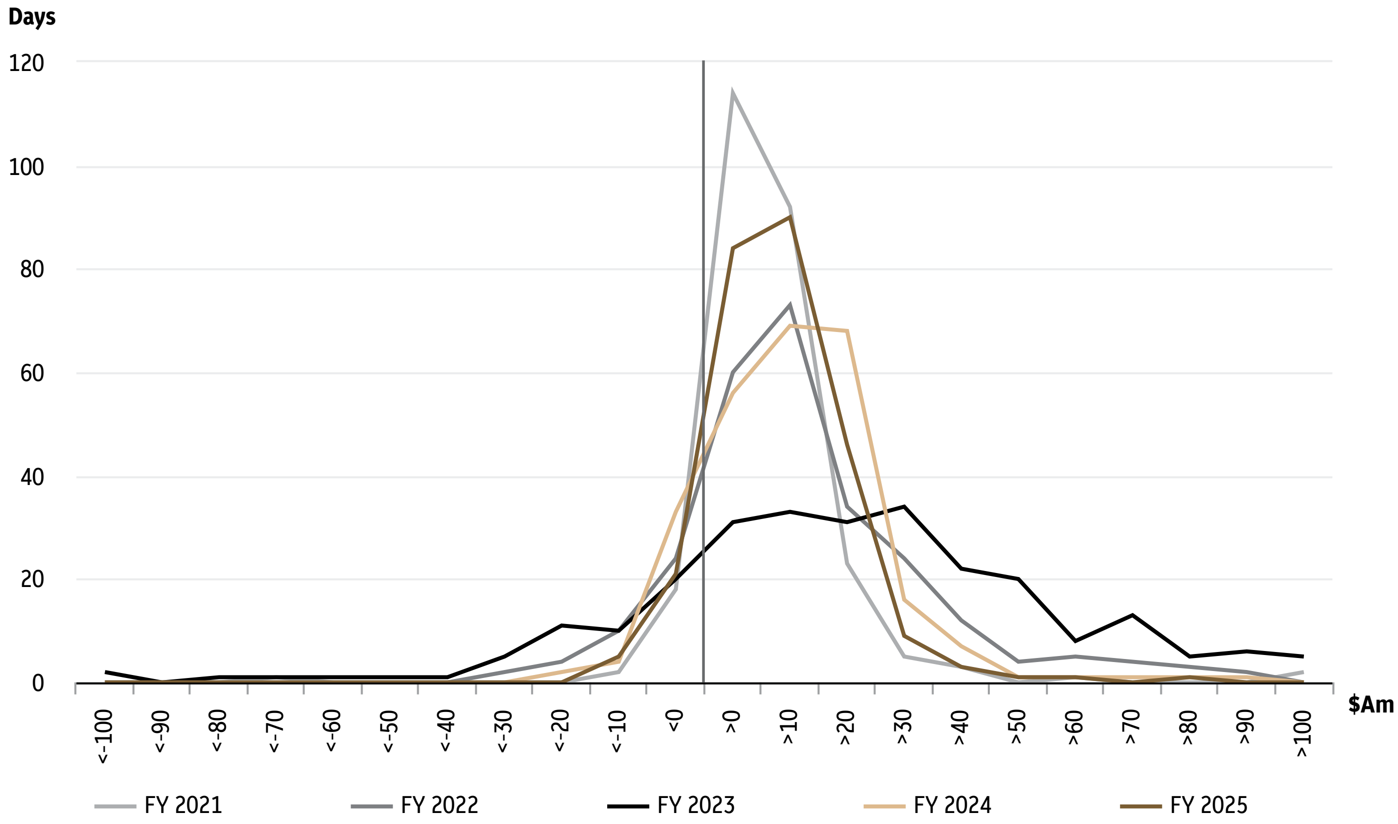
Trading revenue

The effectiveness of Macquarie's market risk management framework can be partially measured by Macquarie's daily trading results. These are daily profit and loss results that are directly attributable to market-based activity from Macquarie's trading desks.

Macquarie's market risk activities continue to be based on earning income from client-facing businesses. The majority of trading income is derived from client activities rather than outright proprietary trading activity.

Macquarie's trading results over time have shown consistent profits and low volatility. In FY2025, Macquarie made a net trading profit on 235 out of 261 trading days (FY2024 results: 221 out of 260 trading days).

Daily trading profit and loss

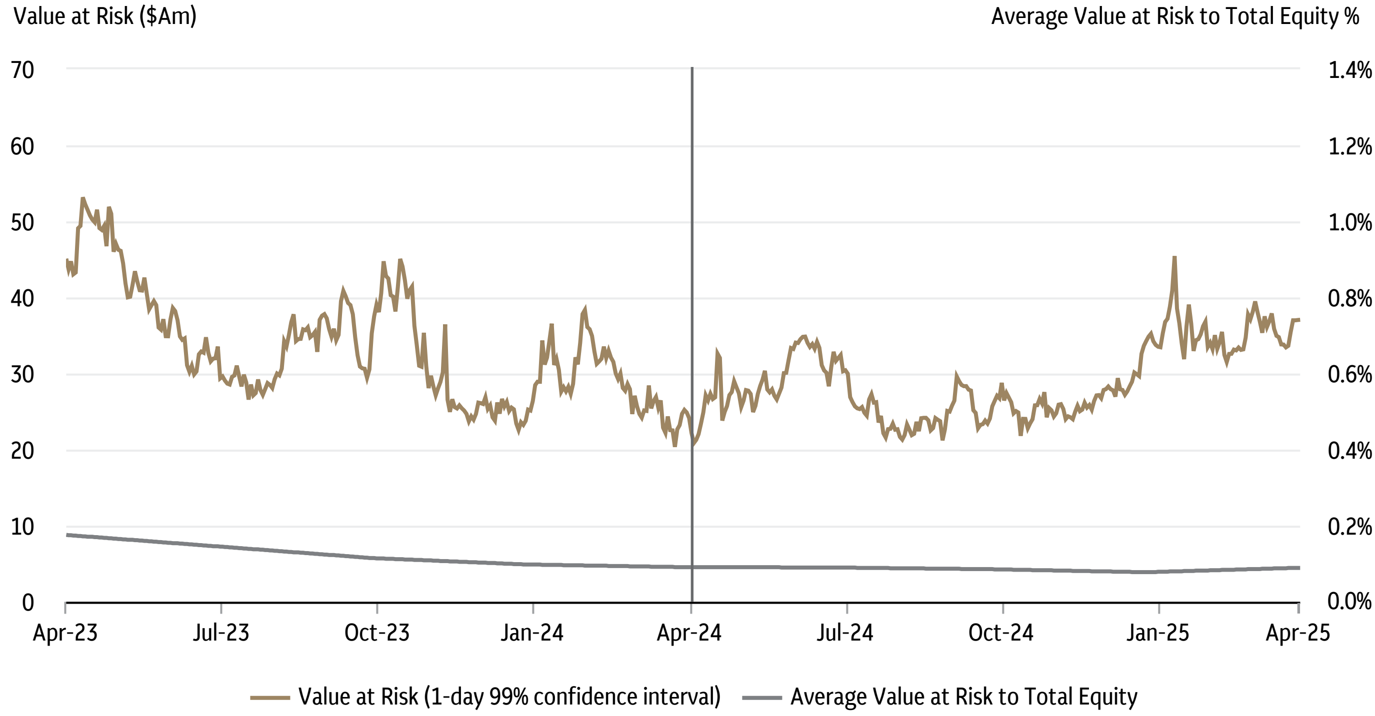


Value at Risk (VaR)

VaR provides a statistically based summary of overall market risk in Macquarie. The magnitude of VaR reflects changes in positions as well as changes in market volatility, correlations and enhancements to the model. The integrity of the VaR model is regularly tested against daily profit and loss.

Macquarie's market risk decreased moderately compared to the previous year, driven by lower commodity exposures. VaR remains modest in comparison to capital and earnings, representing less than 0.2% of total equity.

Aggregate VaR



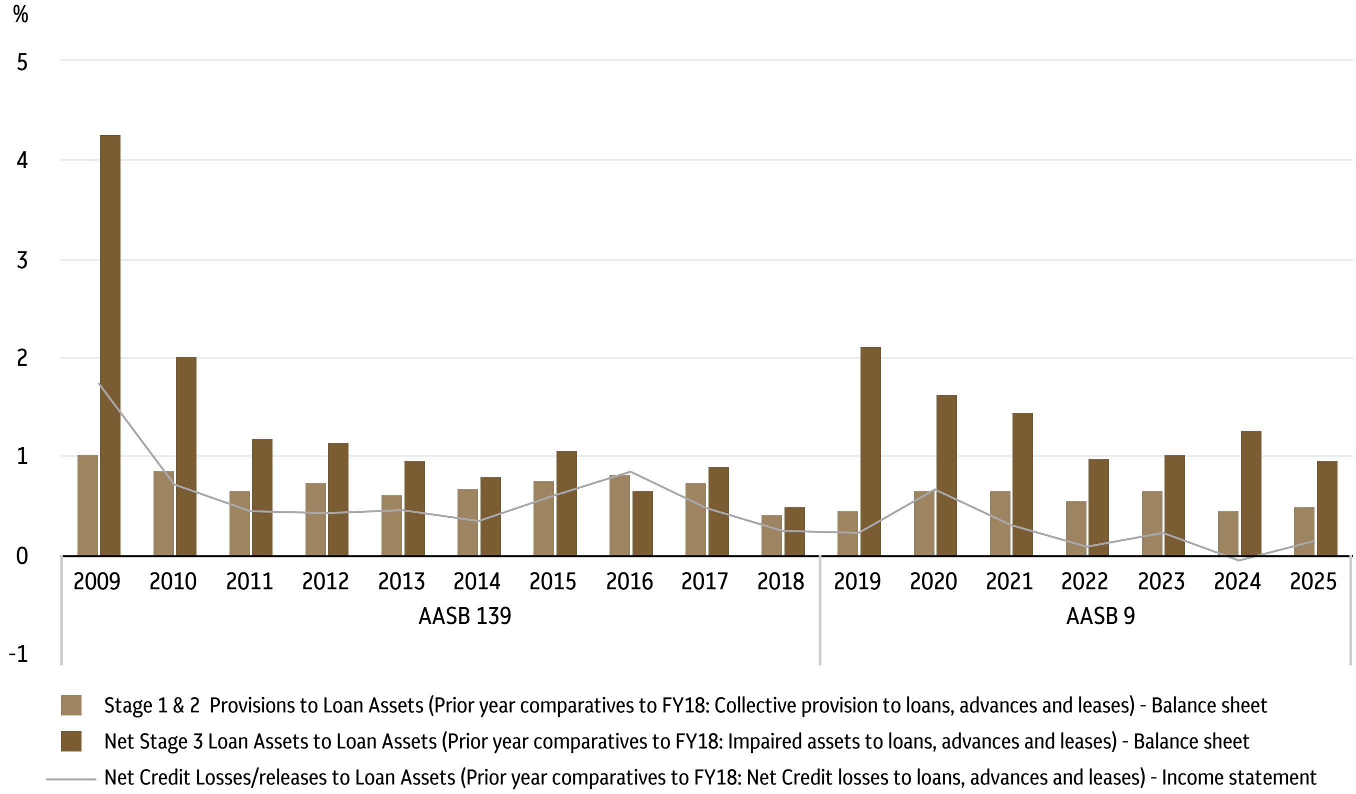
Loan impairment review

Macquarie prospectively adopted AASB 9 *Financial Instruments* (AASB 9) effective 1 April 2018. As permitted by AASB 9, prior year comparative information was not restated. AASB 9 contains requirements for the classification and measurement of certain financial instruments, hedge accounting requirements and, from a credit provisioning perspective, introduced an expected credit loss methodology, which differed to the incurred loss methodology applied prior to FY2019.

For AASB 9 disclosures refer to Note 36.1 *Credit risk* to the financial statements including disclosure of loan asset exposures by stage of credit performance. Note 13 *Expected credit losses* to the financial statements discloses expected credit losses on loan assets by stage of credit performance. The FY2025 numbers presented below are calculated with reference to this information. Loan assets categorised as Stage 3 in terms of AASB 9 are defined as 'credit impaired'. As noted, AASB 9 did not require the restatement of comparative information, and for that reason the comparative numbers in the graph below have not been restated.

Underlying credit quality in FY2025, remains broadly unchanged relative to FY2024, with the increase in Stage 1 & 2 Loan Assets Provisions (A$1,023m as at 31 March 2025 up from $803m as at 31 March 2024), being the result of both an increase in the portfolio size and a more uncertain and pessimistic forward-looking economic outlook as at 31 March 2025 compared to 31 March 2024 (as disclosed in the Notes to the financial statements). The decrease in Stage 3 Loan assets predominately reflects repayments and upgrades, assisted by increased liquidity and market competitiveness enabling opportunistic exits and a number of upgrades following improved trading performance.

Ratio of Provisions and Credit Impaired Loan Assets to Loans Assets



Notes to prior year comparatives[1]

- Loans, advances and leases excluded securitised mortgages, securitised Macquarie Capital loans/leases, segregated futures funds and receivables in the form of fees.
- The collective provision is intended to cover losses inherent in the existing overall credit portfolio which are not yet specifically identifiable.
- Net impaired assets and net losses excluded investment securities.
- Net credit losses represented the total P&L impact in the stated period due to additional individual provisions, direct write-offs (net of any writebacks) and change in Stage 1 & 2 provisions.

[1] The information for the financial years ended 31 March 2009–2025 is based on results using the Australian Accounting Standards that were effective and adopted by the Consolidated Entity at the reporting dates. Reporting periods have been restated only to the extent as required by the accounting standards. The financial reporting periods may hence not be fully comparable with one another as a result of changes in accounting standards' requirements.

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Sustainability Report

Our approach to sustainability reporting

Macquarie recognises the importance of sound Environmental, Social and Governance (ESG) practices as part of its responsibility to a broad range of stakeholders, including shareholders, funders, clients, employees, and the communities in which Macquarie operates.

Reporting framework

This Sustainability Report has been prepared and guided by voluntary frameworks, including the Global Reporting Initiative (GRI), the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).

This year's Sustainability Report has been prepared on a voluntary basis. For the year ending 31 March 2026, MGL will report in accordance with the mandatory climate reporting requirements of the *Corporations Act 2001* (Cth) and the *Australian Sustainability Reporting Standards* issued by the Australian Accounting Standard Board (AASB).

Data used and included within this Sustainability Report is for the financial year ended 31 March 2025, unless otherwise stated.

Sustainability governance framework

Macquarie's corporate governance framework is outlined on pages 36-52 in the Corporate Governance Statement of this Annual Report. In FY2025, the Board and relevant Board Committees received reporting from management on sustainability-related topics, including climate, work health and safety, modern slavery, cybersecurity and financial crime.

Macquarie's corporate governance framework and key governance practices are on pages 36-52 in the **Corporate Governance Statement** of this Annual Report.

Macquarie's Climate-related Governance details are on page 64 in the Climate Governance section of this **Sustainability Report**.

Determining our material sustainability topics

To support the determination of material sustainability topics to report on, Macquarie has performed a materiality assessment. This assessment includes identification of whether Macquarie, through its business model and value chain, could be connected to a sustainability risk or opportunity that is or may be material to Macquarie's prospects.

Structure of our Sustainability Report

The structure of this Sustainability Report has been informed by the outcomes of the materiality assessment. Content has been categorised across Environmental, Social and Governance (Business Conduct), as shown below.

Category	Sustainability topics	See pages
Environmental	• Climate change • Nature and Biodiversity	64 - 75
Social	• Own workforce • Human rights (including modern slavery) • Consumers and end users • Cybersecurity • Macquarie Group Foundation	76 - 82
Governance (Business conduct)	• Business conduct and ethics	83 - 85

Independent assurance

PwC has provided limited assurance over certain metrics for the FY2025 and, where relevant, the FY2024 reporting period, as detailed in the PwC independent assurance report. The FY2025 Basis of Preparation for Sustainability Reporting sets out the reporting boundaries, metric definitions and measurement methodologies for the assured metrics.

Risk management

Macquarie's approach to identifying and managing environmental and social risks is embedded across its risk management framework (further details are on pages 54-60 in the Risk Management section of this Annual Report). Under Macquarie's *Code of Conduct*, all staff share responsibility for identifying and managing environmental and social risks as part of normal business practice. This section should be read in conjunction with the Risk Management section of this Annual Report.

Three lines of defence

Macquarie's approach to risk management of environmental and social risks adopts the 'three lines of defence' model:

- Operating Groups (First line of defence): Businesses have primary responsibility for day-to-day risk management, and are supported by operating group aligned dedicated environmental and social representatives and specialist capabilities. Environmental and social risks are managed in accordance with the risk management framework, including through the application of environmental and social risk related policies. Targeted training is provided to employees in key functions across Macquarie's first line of defence.
- Risk Management Group (RMG) (Second line of defence): RMG provides independent and objective review and challenge in relation to Macquarie's material risks, including environmental and social risk (ESR) and work health and safety (WHS) risk. The Credit-ESR team provides periodic reporting to the CRO and Board Governance and Compliance Committee (BGCC) on environmental and social risk management policies, practices and performance.

  Further details on climate risk management are on pages 66-67, and further detail on WHS risk management is on page 77. For details on risk management of other environmental and social topics refer to the relevant topic-specific sections of this Sustainability Report.
- Internal Audit (Third line of defence): Internal Audit provides independent and objective risk-based assurance on the compliance with, and the effectiveness of, Macquarie's financial and risk management framework, including those associated with sustainability.

ESR Policy

Environmental and social risks that arise through Macquarie's investments, financing activities, client and supplier relationships, are managed through the implementation of the *ESR Policy* and *WHS Policy*.

Macquarie's *ESR Policy* describes its approach to ESR management when onboarding or reviewing clients and other counterparties in various sectors such as, but not limited to, mining, energy, gaming and social infrastructure, and across a broad range of transactions including equity investments, financing, leasing and advisory mandates.

The *ESR Policy* provides a process to identify, assess, manage, mitigate, monitor, report, and where relevant, remedy environmental and social risks. It takes a precautionary approach to ESR issues including labour and employment practices, climate change, human rights, resource efficiency, pollution prevention, biodiversity and cultural heritage. Informed by international guidelines, including the *International Finance Corporation Performance Standards*, the *ESR Policy* provides escalated decision-making and approval processes, alongside the credit and broader RMG approval processes. Transactions with material environmental and social risks are referred to the CRO and may be escalated to the CEO or at least two Non-Executive Directors of the Board.

The *ESR Policy* is approved by Senior Management, and subject to review and monitoring by the BGCC.

The *WHS Policy* is discussed in more detail on page 77 in the Health and Safety section of this Sustainability Report. Both policies are updated periodically to address opportunities for improvement and emerging issues.

MAM Risk Management

MAM has its own environmental and social risk framework in place commensurate with their risk profile and fiduciary responsibilities. Investments are reviewed for material environmental and social risks as part of the investment process.[1]

Greenwashing Standard

Macquarie defines greenwashing as a false, misleading, unsubstantiated, ambiguous or overstated representation of the ESG attributes of an organisation, product or service. This definition is intended to incorporate similar concepts such as impact-washing and social-washing. While the regimes that govern greenwashing vary between jurisdictions, we recognise the importance of mitigating this risk for our stakeholders.

Macquarie's *Greenwashing Standard* supports the management of legal, regulatory, reputational and environmental and social risks associated with greenwashing. It provides information on communications with potential for greenwashing risk, and review considerations and requirements in managing greenwashing risk.

[1] MAM has exposure to investments for which it does not, or it is not possible to, consider material environmental and social risks, such as cash securities, currency, derivatives or indirectly held securities, passively managed portfolios that aim to replicate or closely align with a reference benchmark, or where it has appointed external managers that have not integrated ESG considerations into their investment processes (acknowledging that such appointments are considered in line with the aforementioned risk profile and fiduciary responsibilities).

Environment

Climate Change

Climate Governance

Board and Board Committees

Macquarie's Board, in accordance with its Charter, reviews and approves Macquarie's *Risk Appetite Statement* and *Risk Management Strategy*, and monitors material risks faced by Macquarie and reviews how they are managed. This includes specific consideration for climate risk.

The Board annually considers and approves the strategies and business plans of our Operating and Central Service Groups, which include the risks and opportunities pertaining to the energy transition and climate change where relevant. The Board are informed by management on the development, progress and delivery of related targets and approve related disclosures annually.

The BGCC, in accordance with its Charter, assists the Board by reviewing and monitoring Macquarie's environmental and social risk management policies, practices and performance, which includes climate-related matters. The BGCC receives climate-related reporting from management at least twice a year, which includes updates on Macquarie's management of climate risk.

Board and Board Committee members' skills are regularly assessed. Sustainability Governance is one of the skills included in the Board Skills Matrix. Board members are also supported throughout the year with workshops and training on topical, emerging business and governance issues, which included sustainability reporting in FY2025.

Further details on Macquarie's Board and Board Committees is on pages 36-52 in the Corporate Governance Statement of this Annual Report.

Management Committees

Macquarie's Executive Committee and Executive Risk Committee act as executive advisory bodies for climate-related initiatives across Macquarie, receiving periodic updates on progress and providing guidance on next steps.

Related functions

To support the Board and Senior Management with their responsibilities and drive progress, Macquarie has a centralised Net Zero and Climate Risk Program (the Program). Reporting to the Chief Risk Officer (CRO) and led by the Head of Net Zero and Climate Risk, the central Program team provides a coordinated approach to climate across Macquarie.

During the year, the Program was supported by the Net Zero and Climate Risk Steering Group. This body included senior representatives from across Operating and Central Service Groups, who were responsible for driving outcomes and recommending decisions relevant to the Program. The Steering Group provided support to the Board and Senior Management in decision-making and acted as an escalation body for key organisation-wide working groups, primarily the:

- Financed Emissions Working Group, which focused on the development of approaches, methodologies, frameworks and data governance related to financed emissions; and
- Climate Risk Working Group, which focused on driving the continued operationalisation and embedment of climate risk across Macquarie's frameworks, policies and procedures.

Macquarie's commitment to reach net zero emissions in its own business operations (Scope 1 and Scope 2), and reduce upstream Scope 3 emissions (Categories 1 to 8), is managed by Macquarie's Corporate Operations Group (COG) in line with Macquarie's 2025 Sustainability Plan, and commitments beyond 2025.[2] COG has a dedicated governance model to support this work, reporting into Macquarie's Chief Operating Officer.

Link between climate considerations and remuneration outcomes

Relevant sustainability measures, including those pertaining to climate, are considered in the assessment of each Executive Key Management Personnel's (KMP) performance by the Board and the Board Remuneration Committee. Commentary on sustainability considerations relevant to specific Executive KMP is on pages 126-135 in the Remuneration Report of this Annual Report.

[2] Further information on Macquarie's approach to net zero for Scopes 1 and 2 can be found in the FY2025 Basis of Preparation for Sustainability Reporting.

Climate Strategy

For more than two decades, Macquarie has worked in close partnership with stakeholders in the public and private sectors to support the energy transition and advance solutions to climate challenges.

This is an important area of activity for Macquarie, and its businesses are continuing to work to develop practical solutions for its clients and communities, including:

- investing in climate mitigation, supporting the deployment of renewables at scale and newer technologies that are critical to the transition, including batteries, hydrogen, sustainable aviation fuel and solutions to reduce emissions across agriculture, waste, transportation and real estate
- investing in adaptation approaches to build the resilience of essential infrastructure to climate change impacts
- supporting Macquarie's portfolio companies in developing and implementing net zero plans
- supporting Macquarie's clients as the leading global advisor on renewable energy transactions[3]
- providing critical risk and capital solutions to commodity and energy suppliers, helping clients with compliance and voluntary carbon markets, and supporting the scaling-up of clean fuels and carbon capture and storage.

Macquarie also believes that the transition must be managed, orderly and just. Macquarie continues to support carbon-intensive industries to reduce their emissions and continue to work with oil and gas companies, in recognition that much of the world will depend on carbon-intensive industries for a period as mitigation solutions are implemented.

Since 2022, Macquarie has been working to combine the global renewables expertise of Macquarie's Green Investments team with fiduciary capital entrusted to MAM, thereby providing access to larger pools of capital that in turn will allow it to support projects on a larger scale. The gradual transition of MAM Green Investments' assets off Macquarie's balance sheet is ongoing, as is fundraising for a range of funds targeting climate solutions.

In 2022, Macquarie set out its strategy on Net Zero and updated it in 2023. Those principles continue to guide activity as Macquarie's climate strategy evolves to meet the needs of its clients and the requirements of governments and regulators, which differ across markets. The Net Zero Banking Alliance (NZBA) helped develop global frameworks and assisted member banks as they established their initial decarbonisation plans. With those building blocks now in place, like many peers, Macquarie is no longer a member of NZBA, as it focuses on updating and delivering its plans and reporting in line with regulatory requirements.

Macquarie continues to progress against its existing emissions targets, for its own business operations as well as its financed emissions. Further details are on pages 68-74 in the Climate Metrics & Targets section of this Sustainability Report.

As Macquarie's global regulators release guidance related to the supervision of reporting prepared under regulatory requirements, and industry standards form, Macquarie will continue to assess and adapt its approaches in line with expectations and requirements.

[3] In February 2025, Macquarie Capital was ranked No.1 Global Energy Transition Financial Adviser by inspiratia for the 2024 calendar year by deal value. There can be no assurance that other providers would reach the same conclusions.

Climate Risk Management

Macquarie's risk management framework

Macquarie continues to embed the identification, assessment, monitoring, management and reporting of climate risks across its risk management framework. Key artefacts that support Macquarie's risk management framework include the *Risk Appetite Statement* and the *Risk Management Strategy,* which set out Macquarie's approach to managing climate risk. Further details on the risk management framework are on pages 54-60 in the Risk Management section of this Annual Report.

Climate risk definition

Climate risk encompasses the financial and non-financial risks arising from physical climate risk, transition climate risk or liability climate risk drivers:

- physical climate risk includes the chronic risk arising from progressive shifts in climate patterns and the acute risk presented by changes to the frequency and magnitude of extreme weather events;
- transition climate risk includes risk arising directly or indirectly from the process of (orderly or disorderly) adjustment towards a lower-carbon and more environmentally sustainable economy, including changes in policy and regulatory settings, technological innovation, social adaptation and market changes; and
- liability climate risk arises from the potential for litigation or regulatory enforcement due to the failure to adequately consider or respond to the impacts of climate change.

Climate-related impacts on Macquarie's material risks

Climate risk is considered a risk driver. This means that Macquarie recognises it may impact a broad range of material risks within its risk management framework. Examples of processes in place to manage these impacts are outlined below for select material risks.[4]

Environmental & Social Risk

Macquarie manages climate risk primarily through the application of the organisation-wide *ESR Policy*, which describes its approach to ESR management when onboarding or reviewing clients and other counterparties across a broad range of transactions including equity investments, financing, leasing and advisory mandates. Further details are on page 63 in the Risk Management section.

As noted in the *ESR Policy*, Macquarie's net zero commitments are considered in the approach taken to manage environmental risk on transactions.

Credit Risk

Macquarie regularly conducts sector-specific credit portfolio analysis, monitoring credit concentration by counterparty, country, risk type, industry, and credit quality. As part of the credit approval process, the assessment of climate and environmental risks for new transactions and investments is managed in accordance with *ESR Policy* requirements.

Market Risk

Macquarie uses scenario analysis and stress-testing to quantify and constrain exposure to market volatility across its trading books, including that which may result from climate risk.

Operational Risk

Macquarie recognises that business disruption risk can be caused by internal and external factors, including those caused by climate risk such as severe weather events. To prepare for and manage disruptions, Macquarie implements resilience strategies.

In line with Macquarie's new product and business approval process, climate-related risks are assessed for all new business activities where they meet the *ESR Policy* requirements, and for new or material changes to supplier arrangements.

Regulatory & Compliance Risk

Established functions within RMG provide oversight and guidance on climate risk regulation, legislation and industry guidance, undertake global horizon scanning, and convene regulatory change working groups.

Macquarie's *Greenwashing Standard* provides guidance to our people to help manage legal, regulatory and reputational risks relating to greenwashing. Further details are on page 63 in the Risk Management section.

Recent focus

Areas of focus over FY2025 included:

- development and pilot of a climate risk scorecard to support assessment of physical and transition risk impacts to counterparty credit risk
- development of climate-related controls to support business risk and control self-assessments
- continued uplift to our client transition plan assessment approach
- continued development of climate-related metrics, to support management oversight and better inform practices.

[4] The risks covered in this section leverage APRA's **CPG229 Prudential Practice Guide**.The Guidance highlights the importance of understanding the interaction between climate risks and business activities, including the compounding effect climate risks may have on an institution's other risks. This is not an exhaustive list of risk types, rather demonstrative examples.

Scenario analysis

Macquarie has an established climate scenario analysis process and executes climate scenario analysis regularly to help identify and assess climate-related risks and opportunities over the short, medium and long term.

Scenarios

Macquarie considers a range of science-based scenarios when conducting climate scenario analysis, including internationally recognised scenarios such as from The Network for Greening the Financial System (NGFS). In FY2025, Macquarie conducted transition risk scenario analysis for oil/gas, utilities, metals and mining, and transportation sector credit exposures in the CGM business,[5] considering the following scenarios:

Scenario	Hot House World	Disorderly Transition
Scenario description	Scenario based on Nationally Determined Contributions (NDCs), representing a business-as-usual baseline for comparison	Scenario reflecting a world in which transition risk may be significant due to unanticipated policy changes
Data input	• NGFS NDCs scenario	• NGFS short-term scenario narrative • NGFS delayed transition scenario, fast-forwarded and with additional bespoke shocks[6]
End of century warming	High-warming scenario (2.4°C)	Low-warming scenario (1.4°C)

Scenario time horizons

The time horizon used for the scenarios spanned from 2024 to 2030. This was chosen to better align with the business strategy planning horizon and to account for the relatively short tenor of the in-scope portfolio, ensuring that insights from the scenario analysis are relevant to the decision-making processes.

Transition risk models

The process of determining transition risk models for the in-scope sectors involved adapting business-as-usual credit risk models to reflect sector-specific transition risk channels, considering historical trends and carbon price sensitivities.

Macquarie evaluated credit risk metrics as well as the potential short-term impact on derivatives contracts to identify areas of risk that might emerge due to policy-driven commodity volatility.

Scenario findings

Macquarie's analysis suggested that the impact of transition risk on in-scope sectors could be highly variable among regions, partly driven by variance in regional energy transition policies and uncertainties around the impact of carbon prices.[7] However, the level of adverse impact was less severe than those from the Internal Capital Adequacy Assessment Process Stress Testing, which considered multiple short-term, severe but plausible, macroeconomic stresses. This suggests that Macquarie's business model remains resilient in the short to medium term under the applied climate scenarios assumptions.

5 In-scope exposures are all credit exposures (including wholesale loans, derivatives, trade receivables and contingents) within the CGM portfolio for the selected sectors.
6 Key source of shocks may include, but are not limited to: high level of uncertainty related to fossil energy supply resulting in high volatility in the energy market; unanticipated carbon tax policy disrupting the profitability forecast for high greenhouse gas (GHG) emission sectors; and a confidence crisis due to financial turmoil as a consequence of stranded assets.
7 These uncertainties include, but are not limited to: the timing and coverage of regional carbon price policies implementation; the trend and the magnitude of carbon prices movement among regions; and the level of carbon price burden that could be passed on from producers to consumers.

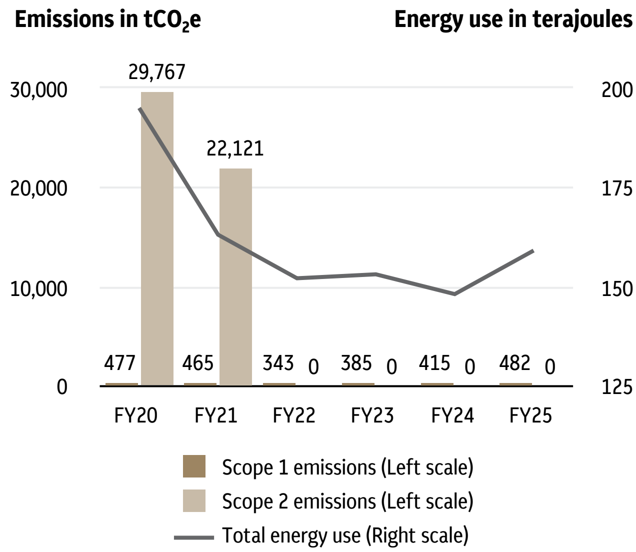
Climate Metrics and Targets

Progress in managing the emissions of Macquarie's own business operations[8]

Net zero emissions in FY2025 for Scopes 1 and 2

Macquarie has now achieved its commitment to net zero emissions in its own business operations for Scope 1 and 2 by FY2025. This commitment was delivered by improving energy efficiency within Macquarie's premises, reducing electricity use by 34% compared to the FY2014 baseline, and purchasing 100% renewable electricity in line with Macquarie's RE100 commitment, to deliver a 98% reduction in Scopes 1 and 2 emissions since FY2020. Macquarie offsets all Scope 1 residual emissions, that are difficult to abate, using carbon removal units with longer term storage, in line with industry guidance on credible carbon offsets.[9,10]

Scope 1 and 2 emissions and total energy use[11,12]



Macquarie's own business operations Scope 3 upstream emissions

Macquarie continues to measure and manage emissions for the Scope 3 Categories 1 to 6 and 8, in its business operational value chain, and has established commitments for the most material categories as listed below.

Scope 3 business operations emissions by Category

Category	FY2020 baseline (tCO_2e)	FY2025 (tCO_2e)
Category 1: Purchased goods and services[13]	137,030	164,983
Category 2: Capital goods		Included in Category 1
Category 3: Fuel and energy-related activities	4,054	3,526
Category 4: Upstream transportation and distribution		Included in Category 1
Category 5: Waste generated in operations	112	223
Category 6: Business travel	67,141	59,164
Category 7: Employee commuting	Commenced methodology development and collection of baseline data	
Category 8: Upstream leased assets		Included in Category 1
Total (Categories 1-6 & 8)	**208,337**	**227,896**

8 "Own business operations" excludes emissions associated with operationally segregated subsidiaries (OSS).
9 Unless otherwise stated, all Scope 2 emissions related to Macquarie's own business operations have been calculated using the market-based methodology as described by the GHG Protocol Scope 2 Guidance. PwC has provided limited assurance over this metric and Scope 1 emissions as detailed in the PwC independent assurance report available within Macquarie's FY2025 Basis of Preparation for Sustainability Reporting. This also sets out the reporting boundaries, definitions, and measurement methodologies for the assured metrics.
10 Details on how this net zero position was delivered, and the guidance used, can be found in Macquarie's FY2025 Basis of Preparation for Sustainability Reporting.
11 Increase in Scope 1 emissions in FY2025, compared to prior year, is due primarily to the inclusion of the base building at new global Headquarters at 1 Elizabeth Street, Sydney, including refrigerant emissions.
12 Total Energy use for the year ended March 2025 is 159 Terajoules.
13 Scope 3 Categories 1, 2, 4 and 8, are calculated using the spend-based methodology as set out in the GHG Protocol and are directly correlated with the spend with suppliers that is processed via Macquarie's procurement system. This methodology does not take into account any supplier-specific emissions reduction initiatives. Macquarie has restated its FY2020 baseline for Scope 3 Categories 1 ,2, 4 and 8 to correct an error in the application of inflation in that year. The restated FY2020 baseline has undergone limited assurance and is included in the scope of PwC's limited assurance report.

Macquarie's own business operations commitments and progress

Scopes 1, 2, and 3 (Categories 1 to 8) commitments and progress

Commitment	FY2025 progress against commitment
Reduction in electricity use 20% reduction in electricity use by FY2023 (from a FY2014 baseline) in Macquarie's corporate offices and data centres	Macquarie's FY2025 electricity consumption was 42.6 GWh, a 34% decrease compared with the FY2014 baseline of 64.2 GWh. The reduction since FY2014 is mainly due to the consolidation, relocation, and upgrade of office premises to more sustainable buildings, together with Macquarie's cloud transformation strategy that enables rationalisation of servers. Macquarie will re-baseline electricity consumption in FY2026 to reflect the energy performance of the new Sydney global headquarters at 1 Elizabeth Street and 50 Martin Place.
Renewable electricity % Sourcing the equivalent of 100% renewable energy for Macquarie's global electricity needs in line with our RE100 commitment	Sourced the equivalent of 100% renewable energy for global electricity needs, through a combination of renewable energy from building owners or utilities (53.8%) and energy attribute certificates (46.2%).[14]
Scope 1 and 2 emissions Net zero emissions in Macquarie's own business operations by FY2025	Macquarie purchases the equivalent of 100% renewable electricity for office premises, reducing Scope 2 emissions to zero since FY2022, and is retiring carbon removal units with longer term storage to offset 482 tonnes of residual Scope 1 FY2025 emissions.
Supplier science-aligned targets By 2030, suppliers representing 75% of our Scope 3 Category 1: Purchased goods and services and Scope 3 Category 6: Business travel (air and hotel) emissions have a science-aligned emissions reduction target	Progressing toward the 2030 target with an estimated 39% of emissions covered by Macquarie's Scope 3 Category 1: Purchased goods and services suppliers having a science-aligned target, and 89% of emissions covered by Macquarie's Scope 3 Category 6: Business travel (specifically air and hotel) providers also having such a target in place.[15]
Offsetting of business travel emissions Continuing to offset Scope 3 Category 6: Business travel emissions including air, hotels, taxis, car rental, and food and beverage	Macquarie is purchasing and retiring a portfolio of Australian Carbon Credit Units and other voluntary carbon offsets to cover 59,164 tonnes of FY2025 business travel related emissions. The offset projects are selected based on verifiable emissions reductions, after conducting internal due diligence and engaging an independent third party to assist with evaluation.

[14] See the FY2025 Basis of Preparation for Sustainability Reporting for further detail on progress against RE100 Technical Criteria.
[15] Review of supplier commitments completed 28 February 2025. Percentage representation of science-aligned emission reduction targets for business travel (air and hotel) uses proportion of spend between suppliers as a proxy for proportion of emissions.

Financed emissions targets and progress

Approach

Macquarie's framework for analysing financed emissions reflects industry recommendations, including guidance from the GHG Protocol, the Partnership for Carbon Accounting Financials (PCAF) Standard,[16] and Macquarie's internal expertise.

A key feature of Macquarie's framework is the use of sector-specific methodologies. Macquarie considers activities across all four Operating Groups and includes on-balance sheet lending and equity investment exposures when determining its financed emissions.

Macquarie's framework and methodologies will continue to evolve to respond to changes to the external and internal environment, including changes to its businesses, the macroeconomic environment, updates to available data and tools as well as net zero scenarios. Revisions to targets and baseline calculations will be made as necessary to reflect evolving conditions and improved data quality.

Given the unique challenges associated with estimating financed emissions, including reliance on Macquarie's clients' cadence for reporting of their non-financial data, the most recent financed emissions data disclosed in this report is for FY2024.

Overview

Macquarie has targets for fossil fuel exposures (thermal coal and upstream oil/gas), and the residential mortgages sector, as the latter accounts for over 60% of its dollar exposures.[17] Given the decision in 2024 to wind down BFS car loans and novated leases business, Macquarie has withdrawn its previously announced motor vehicles target. Macquarie's targets cover around 80% of its dollar exposures[17] to carbon-intensive sectors, and nearly two-thirds of Macquarie's absolute financed emissions from carbon-intensive sectors.

Sector exposure and absolute financed emissions

Details of Macquarie's on-balance sheet lending and equity investments exposure by sector and its estimate of absolute financed emissions associated with these are provided below. Macquarie recognises the methodologies that exist today to calculate absolute financed emissions are still evolving and will monitor industry developments to inform its approach as data, methodologies and climate science continue to evolve.

Macquarie's methodology for calculating absolute financed emissions builds on international standards and guidance. Macquarie focuses on what it considers to be the most important sources of emissions for each sector, accounting for its financial exposure to each of its clients in those sectors and attributing those clients' emissions to Macquarie broadly in line with the PCAF methodology.

Data quality

Estimating emissions requires the collection and analysis of large sets of data and there continues to be significant challenges with both data availability and quality. Consequently, some estimates are based on assumptions and extrapolations. Macquarie applies the PCAF Standard data quality hierarchies,[18] and the data and models used in Macquarie's methodology are subject to its data governance policies and frameworks.

Over time, Macquarie expects data availability and quality will improve. As a result, it may periodically restate baseline emissions and emissions reduction targets. Macquarie notes that scenarios are likely to change with the pace of decarbonisation and it will review its approach as required.

MAM metrics and targets

MAM has separate climate-related targets relating to its financed emissions attributed to the fiduciary investment activities undertaken on behalf of clients. This includes net zero asset alignment targets and engagement targets. To meet its targets, MAM has developed asset class specific strategies.

[16] Financed emissions: The Global GHG Accounting and Reporting Standard for the Financial Industry', Partnership for Carbon Accounting Financials, December 2022, (PDF).
[17] Exposures include on-balance sheet lending and equity investments. This includes exposures from operationally segregated subsidiaries and, for motor vehicles, novated leases. See FY2025 Basis of Preparation for Sustainability Reporting for details.
[18] Partnership for Carbon Accounting Financials, PCAF Standard (PDF).

Macquarie's Exposure at Default (EAD) and Absolute Financed Emissions by sector[19,20]

	Sector[21]	Scopes included	FY2024 EAD $Ab	FY2024 Absolute financed emissions ($MtCO_2e$)	FY2024 PCAF data quality score
Carbon-intensive sectors[22]	Oil/gas	1, 2, 3 (Cat. 11)[23]	**3.4**	**5.3**	**Scope 1,2: 2.8; Scope 3: 2.8**
	Upstream oil/gas[24]	1, 2, 3 (Cat. 11)	2.3	5.0	Scope 1,2: 2.2; Scope 3: 2.8
	Midstream and downstream oil/gas	1, 2	0.3	0.1	2.2
	Coal[25]	1, 2, 3 (Cat. 11)	**<0.1**	**0.1**	**2.0**
	Coal mining	1, 2, 3 (Cat. 11)	0.0	0.0	N/A
	Real estate	1, 2	**155.7**	**0.9**	**4.1**
	Residential mortgages	1, 2	134.8	0.7	4.1
	Commercial real estate	1, 2	12.7	0.1	3.9
	Transport	1, 2, 3 (Cat. 13)[26]	**10.2**	**2.0**	**2.9**
	Motor vehicles	1, 2	4.4	0.2	2.1
	Shipping	1	1.6	0.8	2.2
	Aviation[27]	1, 3 (Cat. 13)	1.3	0.7	2.0
	Power	1, 2	**3.5**	**0.5**	**4.4**
	Power generation[28]	1	0.9	0.5	2.6
	Agriculture	1, 2	**0.3**	**0.3**	**4.3**
	Farming	1, 2	0.1	0.2	3.0
	Aluminium, Cement, Iron/Steel	1, 2	**0.0**	**0.0**	**N/A**
Other sectors	Manufacturing	1, 2	**0.8**	**0.1**	**5.0**
	Financial services	1, 2	**18.3**	**<0.1**	**5.0**
	Health and education	1, 2	**5.9**	**0.2**	**5.0**
	Technology, media, telecommunications	1, 2	**6.3**	**0.2**	**5.0**
	Retail and wholesale trade	1, 2	**1.0**	**<0.1**	**5.0**
	Other mining	1, 2	**1.7**	**0.8**	**5.0**
	Other	1, 2	**9.3**	**1.0**	**5.0**
	Total		**216.3**	**11.4**	

19 Includes on-balance sheet lending and equity investments for all sectors. This includes exposures from operationally segregated subsidiaries and, for motor vehicles, novated leases. See FY2025 Basis of Preparation for Sustainability Reporting for details.
20 Since the publication of Macquarie's 2023 Net Zero and Climate Risk Report, enhancements have been made to sector mapping and methodology. See FY2025 Basis of Preparation for Sustainability Reporting for detail.
21 Sector also includes segments in-scope for targets - italics indicate sectors with targets. On-balance sheet lending and equity exposures are mapped to an ANZSIC code sector, reflecting the client's primary business activity. In some cases, additional product-level analysis is performed to assign exposure to a sector. See FY2025 Basis of Preparation for Sustainability Reporting for details.
22 Sectors include segments which may not be deemed carbon-intensive. E.g., real estate agents within the real estate sector may not be considered carbon-intensive.
23 Scope 3 is included for upstream oil/gas exposure only in this line.
24 Includes both pre-production and production upstream oil/gas producers.
25 The coal sector includes coal mining and a small exposure to coal-fired power generation. For coal-fired power generation, Scope 1 is included only. As at December 2024, Macquarie had zero coal company on-balance sheet lending and equity exposures, achieving the original 2021 goal. Further information on Macquarie's approach to coal is on page 73.
26 Scope 3 is included for aviation exposure only in this line.
27 In the Aviation sector, Macquarie's current exposure is limited to lessor(s) only. Accordingly, this table only includes Scope 3 (Category 13).
28 To avoid double counting, in this table Macquarie reported a small remaining coal-fired power exposure as part of the coal sector. It is not included in the power/power generation sector.

Sector-level target details and progress

Macquarie continues to monitor progress against its emissions reduction targets in the upstream oil/gas, coal, and residential mortgages sectors.

	Scope				Target details					Target progress	
Sector	Emissions	Financial products	Value chain	Geographical	Scenario	Target metric	Target	Baseline year	Baseline	FY2024	% change from baseline
Upstream oil/gas	1, 2, 3 (Cat. 11)	Lending and equity investments	Upstream (extraction)	Global	NGFS Net Zero 2050	Physical emissions intensity (gCO_2e/MJ)	56.3-59.6 gCO_2e/MJ, equivalent to a 9-14% reduction by 2030	FY2020	65.8 gCO_2e/MJ	62.3 gCO_2e/MJ	-5%
Coal mining	1, 2, 3 (Cat. 11)	Lending and equity investments	Coal mining	Global	N/A	Absolute financed emissions ($MtCO_2e$)	100% reduction by end of 2024 (applicable to entire Coal sector, see page 73)	FY2020	3.58 $MtCO_2e$	0 $MtCO_2e$	-100%
Residential mortgages	1, 2	Lending	Operational use	Australia	Carbon Risk Real Estate Monitor (CRREM) scenario	Physical emissions intensity ($kgCO_2e/m^2$)	11.6-19.3 $kgCO_2e/m^2$, equivalent to a 50-70% reduction by 2030	FY2021	38.7 $kgCO_2e/m^2$	33.2 $kgCO_2e/m^2$	-14%

Upstream oil/gas

Recap of Macquarie's approach

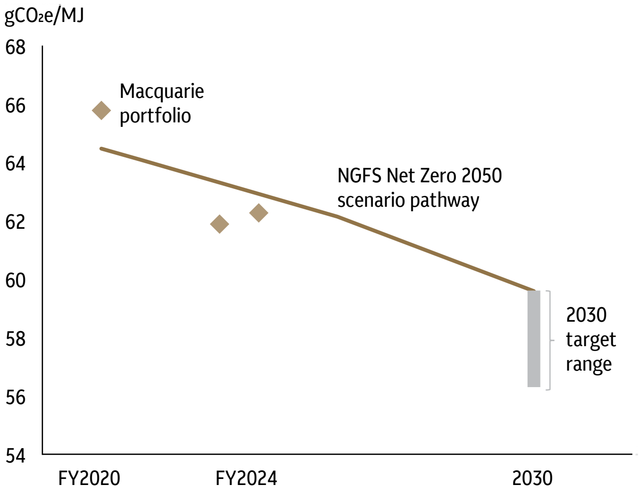
In science-based, net zero-aligned climate scenarios (e.g., NGFS Net Zero 2050, International Energy Agency Net Zero Emissions and Intergovernmental Panel on Climate Change), oil and gas generally remain critical components of the energy mix in 2030, which means decarbonisation of the operations of oil/gas companies is an important element of the energy transition, especially in the near term. Divestment strategies might not support real world emissions reductions and could result in a disorderly net zero transition that does not address the economic and social needs of the communities affected. Given the scale of the needed transition, Macquarie recognises that much of the world will depend on oil/gas for years to come and will continue to support clients in these sectors.

Progress update

Macquarie is making progress towards its target of 56.3-59.6 gCO_2e/MJ, which implies a 9-14% reduction in physical emissions intensity by 2030 from the FY2020 baseline. In FY2024, the physical emissions intensity of Macquarie's upstream oil/gas portfolio was 62.3 gCO_2e/MJ, up slightly from the FY2023 level but down 5% from the FY2020 baseline.

As noted in Macquarie's prior Net Zero and Climate Risk Reports, annual physical emissions intensity outcomes are likely to exhibit considerable volatility (in both directions) as the portfolio evolves over time. Such volatility is to be expected and is consistent with Macquarie's 2030 target.

Upstream oil/gas emissions intensity – Scope 1, 2 and 3 (Cat. 11)



Coal

Progress and approach

In 2021, Macquarie announced its intention to run-off on-balance sheet lending and equity exposures to coal companies by the end of 2024.[29]

As a means of achieving that goal, Macquarie committed to not engaging in new balance sheet activity with any counterparty where the underlying purpose was to fund the purchase, development or expansion of a coal mine (both thermal and metallurgical) or coal-fired power station.

As at 31 December 2024, Macquarie had zero coal company on-balance sheet lending and equity exposures, achieving the original 2021 goal.

Macquarie's approach to coal has continued to evolve:

- reflecting the ongoing importance of and limited viable alternatives to metallurgical coal for steel making and industry practice, Macquarie now differentiates between metallurgical coal and thermal coal
- in April 2024, advisory transactions where the underlying purpose is to fund the purchase, development or expansion of a metallurgical coal mine were brought into appetite[30]
- in November 2024, Macquarie allowed balance sheet lending and equity investments, where the underlying purpose is to fund the purchase, operation, development or expansion of a metallurgical coal mine
- Macquarie continues to have no appetite for financing >12 months using its balance sheet[29] or to advise on transactions where the underlying purpose relates to the purchase, operation, development or expansion of thermal coal activities
- Macquarie maintains the ability to work with coal companies to finance projects that will significantly reduce their carbon emissions in line with science-based scenarios or are for the purpose of diversifying away from the coal sector in line with a credible transition plan.

[29] 'On-balance sheet lending and equity exposures' and 'financing' refer to on-balance sheet lending and equity investment activities, excluding on-balance sheet securities held for client facilitation and market-making purposes. Lending refers to loan assets held at amortised cost and excludes certain items such as leasing, asset finance and short-term financing that generates trading income (e.g., inventory finance, pre-pays, receivables finance or letters of credit). Also, in line with the PCAF Standard Macquarie's product scope excludes issued guarantees that are not related to any potential future loans or equity investments. For coal, this relates to environmental bonds (e.g., to rehabilitate a mine at the end of its life).

[30] Refer to page 60 of the Macquarie Group 2024 Annual Report.

Residential mortgages

Recap of Macquarie's approach

Reducing operational emissions in this sector is heavily reliant on the decarbonisation of the electricity grid, a reduction in household gas usage (via electrification) and improvements in energy efficiency. Macquarie's ability to meet targets in this sector will depend on a coordinated approach across federal, state and local governments to encourage the growth of renewable energy supplies, enforce building standards and energy codes, and incentivise home energy retrofits. Unless and until the grid is substantially rebalanced to renewable energy supplies, improvements in any other factor will only make marginal contributions to the sector's decarbonisation.

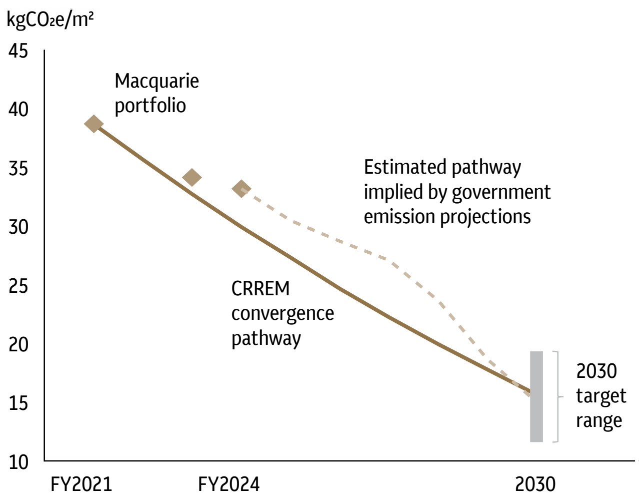
Macquarie continues to face significant data challenges in quantifying financed emissions from residential mortgages, with data quality and availability currently low. Macquarie is supportive of government initiatives to deliver a mandatory national disclosure framework.

Progress update

Macquarie continues to see pathways towards its target of 11.6-19.3 $kgCO_2e/m^2$ by 2030, which implies a reduction of 50-70% from the FY2021 baseline. However, only marginal progress has been made in FY2024. The physical emissions intensity of Macquarie's residential mortgages sector has decreased by 14% to 33.2 $kgCO_2e/m^2$ from the FY2021 baseline, primarily reflecting the pace of decarbonisation within the Australian electricity grid. While the progress in FY2024 was relatively modest, it remains in line with Australian Government modelling, which suggests that progress toward their 82% renewable target in 2030 will be backloaded.

With Australia's population set to grow considerably in coming years, Macquarie plans to continue to increase lending to this critical sector to support that growth.

Residential mortgages emissions intensity - Scope 1 and 2



Managing progress towards Macquarie's targets

Progress towards Macquarie's targets is managed and supported by various control and monitoring mechanisms. This includes Macquarie's Net Zero Risk Assessment (NZRA) process and regular sector-level and portfolio emissions progress reviews and management reporting.

The NZRA process is in place for the upstream oil/gas sector and enables financed emissions targets to be appropriately considered in financing decisions, using a combination of possible quantitative and qualitative factors to evaluate clients' climate ambition and performance for new in-scope transactions. This can include assessment of the client's transition plans. The NZRA process includes 'second line' review by the Risk Management Group.

Assessing client transition plans

Macquarie is continuing to evolve its approach to assessing client transition plans. Client transition plans are currently assessed for select sectors against a range of criteria that has been informed by emerging best practices from industry bodies. Assessments consider sector-specific criteria and evaluate the maturity of client transition plans. Macquarie's approach will continue to evolve as harmonisation across global best practices occurs.

Nature and biodiversity

Macquarie recognises the impact of human activities on biodiversity as highlighted in the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, and acknowledges the importance of the Kunming-Montreal Global Biodiversity Framework.

Nature and biodiversity risks and impacts that arise through Macquarie's investments, financing activities and client relationships are managed through its overall ESR management process. Macquarie's *ESR Policy* includes specific biodiversity risk triggers and enhanced due diligence requirements.

Acknowledging that nature and biodiversity is an emerging topic, Macquarie will continue to monitor and work on understanding the related impact on its business operations, including contributing to the development of frameworks through the Taskforce on Nature-related Financial Disclosures and the Nature Finance Council of the Australian Government.

Sustainability in Macquarie's corporate offices

As part of the broader focus on the natural environment and sustainable resource use, Macquarie has a commitment that 80% of employees will be in sustainably-rated premises by FY2025. Following the moves into our new and upgraded workplaces in Sydney and New York, 85% of Macquarie people are now occupying a sustainably-rated office.[31]

Integrating 1 Elizabeth Street with the existing heritage-listed 50 Martin Place building, Macquarie has created a new workplace that brings together its Sydney teams, previously based across four offices in the city, in one campus for the first time in more than 25 years. The precinct has been designed with sustainability in mind and achieved the highest possible sustainability credentials: a 6-Star Green Star Design Review rating from the Green Building Council of Australia. Features include the capture and re-use of rainwater, landscaping and greening, enabling full electrification in normal operations, and implementing smart technology.

Situated in the heart of Manhattan, New York, Macquarie's new Americas headquarters at 660 Fifth Avenue represents more than 30 years of growth and innovation in the region. The building has achieved LEED Gold certification, and was selected as one of six inaugural commercial sites for the Empire Building Challenge, New York State's program to elevate new design approaches for low-carbon retrofits in New York's high-rise buildings. In addition, the Macquarie tenancy fit-out has achieved LEED Platinum certification.

Green bond issuance

In September 2024, MBL issued its inaugural 5-year €600 million green bond. The bond is allocated against Macquarie's new global headquarters, the 1 Elizabeth Street Office Tower, which has achieved a 6-Star Green Star Design Review rating from the Green Building Council of Australia, qualifying it as an Eligible Green Project under the International Capital Market Association's Green Bond Principles.

Resource efficiency and minimising waste to landfill in Macquarie's own operations

Within its own business operations Macquarie is focused on improving the diversion from landfill of operational and fit-out projects' waste, as well as targeting more sustainable products and services across areas such as operational electronic waste (e-waste), plastics used in premises operations, office paper, and stationery.[32]

Macquarie has a target to divert 50% of operational waste from landfill across its global headquarters and regional offices, and in FY2025 59% of waste was diverted, exceeding the target. Macquarie has diverted 77% of fit-out and demolition waste from landfill in FY2025, exceeding the 75% target for this year.[33]

Macquarie made an FY2025 commitment to eliminate single-use plastic in its premises operations and has made progress toward this by focusing on removing single-use cups, cutlery, and unnecessary plastic packaging for food presented in our cafés. However, not all single-use plastic has been eliminated from the packaging for takeaway food in Macquarie's cafés.

In FY2025 Macquarie achieved a 78% paper use reduction from the FY2019 baseline, exceeding a 60% reduction target. There is a commitment to use certified sustainable or recycled paper stock for 100% of office paper needs, and in FY2025 100% of our office paper was certified as such.

Macquarie has committed to managing e-waste through sustainably certified suppliers, and has this in place for disposal of laptops, desktops, and information technology communications room equipment.

Macquarie continues to work toward the FY2025 commitment to increase the percentage of expenditure on sustainable products to 80% of global purchasing needs for prioritised goods. Clear and consistent sustainability definitions for prioritised categories, such as IT equipment, stationery, pantry consumables, and office furniture, have been developed in partnership with suppliers, and implementation of these new standards is ongoing. Challenges have been identified in obtaining consistent data, at the product level, across all priority categories to enable reporting against this target, and we are working to address this with suppliers.

31 Minimum LEED Gold, BREEAM Good, 5 Star Green Star, Green Mark Gold Plus, Beam Plus Gold or equivalent. Excludes OSS.

32

33 This target and progress relates to Macquarie's fit-out projects and excludes the Sydney Metro Martin Place integrated station precinct development and construction of 1 Elizabeth Street that was completed in FY2025.

Social

Own workforce

Macquarie's teams around the world are made up of diverse groups of motivated, passionate and skilled people who are empowered to deliver positive and sustainable outcomes for our clients and communities.

The diversity of our workforce is one of our greatest strengths, ensuring that our business remains innovative, sustainable and continues to meet the evolving needs of all our stakeholders.

We aim to foster an inclusive culture that welcomes a range of ideas and perspectives, and which empowers individuals to explore what's possible and deliver to their greatest potential.

Our ongoing commitment to a diverse workforce helps us to recruit, develop and retain a broad range of talent across markets that represents the diversity of the communities we serve.

Our approach and policies

Macquarie's principles of Opportunity, Accountability and Integrity underpin our *Workforce Diversity Policy* and are embedded in our culture. Macquarie views diversity as a broad range of attributes, experiences, skills, and views. The *Workforce Diversity Policy* outlines Macquarie's commitment to maintaining its inclusive culture and diverse representation at all levels of the organisation. Macquarie's Executive Committee and Board of Directors receive regular updates on progress on our commitments and encourage continuous improvement.

Performance assessments of all employees take into consideration their people leadership and professional conduct, which includes fostering a diverse and inclusive work environment. Leadership teams in each Operating and Central Service Group and region are also accountable for making progress against Macquarie's diversity objectives.

Further information is outlined on pages 46-47 in the **Corporate Governance Statement** of this Annual Report.

Actions

Race and reconciliation

Cultural and racial inclusion continue to be priorities for Macquarie, and we take an active and localised approach to drive progress in our business and communities.

In FY2025, we began preparing our second *Reconciliation Action Plan* (RAP) in Australia, whilst continuing to build on the progress of our first RAP. The second RAP will launch in FY2026, strengthening our relationships and commitment to reconciliation with First Nations people and businesses.

Gender pay gap monitoring

Macquarie conducts annual gender pay gap reviews and provides comprehensive data to the Workplace Gender Equality Agency (WGEA) in Australia, and adheres to regulatory requirements in other locations where we operate.

Macquarie's management and Board Remuneration Committee annually review pay for men and women in equivalent roles, seeking to maintain fairness.

Details on Macquarie's remuneration framework are outlined on page 102-152 in the Remuneration Report section of this Annual Report.

Families and carers

Macquarie continues to provide support to working parents and carers of all genders through flexibility, paid leave, and initiatives such as coaching and transition support to return to work.

Accessibility

In FY2025, we published our inaugural global Accessibility Action Plan (AAP) detailing how Macquarie will meet global and Australian accessibility standards. The plan outlines our progress and three-year commitments to improve accessibility and inclusion for candidates, employees and customers.

Gender representation

Female representation has increased across all Macquarie levels over the medium-long term. We seek to improve our gender representation through ongoing monitoring of our progress, empowering our employee network groups and investment in development programs.

Metrics

Global female representation by level[34]

As at 31 March (%)	**FY2025**	FY2024	FY2023	FY2022	FY2021
Board of Directors	**62.5**	62.5	62.5	50.0	45.5
Executive Committee[35]	**30.0**	33.3	30.0	30.0	27.3
Division Head[36]	**26.4**	23.3	25.5	26.5	23.0
Senior Executive[37]	**24.0**	24.3	23.3	21.8	20.5
Macquarie workforce	**44.2**	44.3	44.1	43.0	42.0

34 Workforce data based on total global workforce as at 31 March 2025, excluding employees in (1) operationally segregated subsidiaries and (2) investments where Macquarie does not have a controlling interest.
35 The proportion of females at Executive Level temporarily increased in FY2024 when Nicholas O'Kane stepped down as Group Head of CGM before 31 March 2024, and Simon Wright was appointed on 1 April 2024.
36 Division Head refers to all Macquarie Division Directors and Executive Directors who are in critical roles and either (1) report directly to a Group Head or (2) are two layers down from the CEO.
37 Senior Executive refers to all Macquarie Division Directors and Executive Directors.

Training and development

Our approach and policies

Macquarie focuses on developing talent and enabling career mobility within the organisation. Our talent management approach focuses on dedicated conversations so our people stay engaged, continue to develop, and are matched with internal opportunities to build their careers.

Macquarie's performance management approach promotes continuous development, which includes at least one annual performance appraisal for all employees and regular career development discussions with their managers.

Macquarie is dedicated to providing employees with opportunities to develop in-demand skills for evolving career landscapes.

Actions

Employee upskilling and development

A key principle of Macquarie's learning programs is to enable access to development opportunities for all staff levels, from junior employees through to senior leaders. We upskill our people through formal programs and self-directed learning, utilising continuously available resources through the Macquarie Learning Platform.

Macquarie recognises the need for access to learning and development no matter where our people are in the world. To do this we deliver an enterprise-wide global core curriculum that meets the behavioural skill development needs of our people. Programs focus on areas such as Communication, Influencing and Personal Effectiveness.

In FY2025, Macquarie evolved its approach to supporting new people leaders with the design and development of our People Manager Essentials (PME) Program. The program provides foundational people management skills such as feedback, coaching, managing change and delegation. The program is complemented by a digital resource for people managers to support them, when they need it, in the moments that matter.

Macquarie recognises the effect that sponsorship can have on an individual's career progression. This year we progressed our approach from regional, business-specific sponsorship programs to a globally consistent approach by piloting the Global Sponsorship Program. The program aims to enhance career development and retention for mid-level employees by offering guidance, networks, opportunities, and advocacy from senior leaders. Participants received targeted development to address focus areas consistently identified across the cohort. The approach not only supports career development and retention but also improves opportunities for global mobility. Enabling career mobility has long been a focus across Macquarie. Matching internal talent to opportunities that support development and growth is essential to supporting the careers of our people. During FY2025, 270 international career moves were facilitated.

Engaging with own workforce

Macquarie engages with its global workforce through the annual staff survey and at key employee lifecycle moments. Insights from these, coupled with other data sources, provide leaders and teams with actionable insights on culture and employee experience. Macquarie consistently maintains high levels of employee engagement.[38]

Remuneration

Details on Macquarie's remuneration framework are outlined on pages 102-152 in the Remuneration Report section of this Annual Report.

Health and safety

Our approach and policies

Macquarie's Executive Committee and Board of Directors recognise, support and promote the rights of every worker to return home safely from our global operations and investment activities. Macquarie's *WHS Policy* outlines how we apply our WHS risk management principles for various activities where Macquarie's level of control and influence varies:

- Macquarie's day-to-day operations and potential impacts to our people, third-party suppliers and visitors to Macquarie premises;
- product and services provided to our clients; and
- investments in businesses or projects by Macquarie or on behalf of third-party investors.

Actions

WHS risk management

Macquarie manages its WHS risks by:

- maintaining clear expectations and behaviours agreed with our employees, contractors, visitors and business partners
- incorporating WHS into our investments and business decision-making processes
- applying WHS management frameworks and controls to: manage safety-critical risks effectively; comply with laws, regulatory obligations and standards; select, contract with and govern third-party suppliers; and effective communication on relevant WHS matters and information
- allocating adequate resources to manage material WHS risks
- measuring, monitoring and managing the progress of our WHS performance to achieve our WHS vision.

Health and safety culture

Macquarie's health and safety culture is underpinned by a framework that integrates policies, procedures, and safety measures to prioritise employee wellbeing.

Macquarie employee participation at local and regional levels is facilitated through health and safety forums and consultation committees. These initiatives focus on current conditions and inform our future wellbeing strategies to prevent risks and manage injuries and illnesses effectively.

[38] Macquarie 2024 Voice Survey; participation rate is consistently above 80%.

To maintain a safety-positive culture and manage our WHS risks, Macquarie has implemented:

- resources to help identify health and wellbeing risks, trends and insights, enabling proactive preventative measures to improve our people's physical and psychological health and safety
- ongoing access to education, assessment and equipment to prevent workplace injuries and incidents
- access to mental health and wellbeing training and resources for our employees, including guidance on creating mentally and physically healthy workplaces, employee, family, and financial counselling, health coaching, and targeted, specialised individual support
- confidential reporting systems to encourage our people to voice concerns about workplace health and safety issues, including forms of inappropriate behaviour and work-related psychosocial hazards, and response mechanisms to ensure concerns are addressed and resolved
- dedicated multidisciplinary health and safety teams that monitor external developments to identify, assess, and mitigate health and safety risks affecting our people, and to ensure our practices comply with legal requirements and adapt to regulatory changes.

Wellbeing

Macquarie offers a broad range of wellbeing benefits and initiatives, designed to provide our people with the necessary tools and resources to prioritise their physical and psychological wellbeing. Our approach emphasises the importance of maintaining a balanced lifestyle across physical, mental, emotional, and social wellbeing factors.

Metric

Lost Time Injury Frequency Rate (LTIFR)[39]

	FY2025	FY2024
Period from 1 April to 31 March	**0.16**	0.18

Health and safety in our investments

Macquarie integrates WHS into the investment lifecycle to actively manage WHS risks and improve investment returns. This includes identifying WHS risks and improvement opportunities at acquisition, if necessary establishing transition plans in agreement with shareholders and assets, and monitoring investment WHS performance throughout the investment lifecycle.

Macquarie's Operating Groups each have tailored Safety Alignment Frameworks to address the specific WHS risk profiles within our investments. Frameworks are regularly reviewed and enhanced to drive consistent WHS principles and expectations for equity and fund management portfolio companies, seeking to eliminate fatalities and serious injuries. Macquarie Nominee Directors are required to meet expectations stipulated in the Safety Alignment Frameworks and are provided training and support by a network of senior WHS professionals. In FY2025, 58 Macquarie Nominee Directors received WHS governance training. WHS is the responsibility of each portfolio company.

The portfolio company board oversees the management of WHS and regularly monitors and reports on WHS performance and risk management to Macquarie, including high potential near miss reporting and outcomes of incident investigations where there was a fatality or serious injury.

In FY2025, Macquarie enhanced its WHS governance expectations for equity and fund management investments across WHS high-risk sectors and industries based on our investment insights. This included the introduction of targeted critical risk expectations, additional investment portfolio WHS performance analysis tools, and an increased focus on high-potential near miss incident reporting and investigation within the investments. Macquarie continues to focus on implementing leading WHS practices, improvement initiatives, assuring that adequate WHS resources are in place and sharing lessons learned across our regions and Operating Groups. This also includes Macquarie regularly promoting intra-industry WHS forums to share lessons learned between organisations and across regions. In FY2025, 20 safety alerts and lessons learned were shared across our organisation.

Human rights

Our approach and policies

Macquarie respects fundamental human rights as set out in the *Universal Declaration of Human Rights* and codified in the *International Covenant on Civil and Political Rights,* the *International Covenant on Economic, Social and Cultural Rights* and core *International Labour Organization Conventions.*

Macquarie has a company-wide framework of policies and processes in place to identify, prevent or mitigate and, where relevant, remediate potential and actual human rights impacts, including modern slavery, resulting from our business activities and the relationships connected to those activities.

39 Lost Time Injury (LTI) is an incident that results in time lost from work equal to or greater than a full day/shift. The LTI Frequency Rate (LTIFR) is the number of LTIs resulting in a compensable claim per million workhours. Data is based on total global workforce for the period 1 April 2024 to 31 March 2025, for Macquarie employees.

Consumers and end-users

Maintaining and developing our relationships with our corporate, institutional, government and retail customers, along with our co-investors is a focus across all our Operating Groups.

Our responsibilities as a retail bank, including towards individual customers, have been considered below.

Our approach

In BFS, we offer a diverse range of personal banking, wealth management and business banking products and services to retail customers, advisers, brokers and business clients across Australia. We are dedicated to understanding the needs of our approximately 2 million customers, promoting financial inclusion and safeguarding customer data.

Actions

Enhancing engagement with customers

This year, BFS expanded Live Chat, an in-app and online real-time two-way communication channel across our client service teams. Customers and advisers can quickly and conveniently connect with our consultants digitally, providing a more seamless experience than phone based engagements for the most common enquiries.

BFS has also invested in building its omni-channel service offering for customers. This includes the development of personalised alerts, offers and insights for customers, and utilising new technology capabilities to ensure customer support teams have a comprehensive customer view to enhance real-time interactions. BFS continues to leverage existing and emerging technologies to further evolve the customer experience.

Protecting customers from scams and fraud

BFS is committed to helping our employees and customers become cyber-resilient.

In FY2025, to ensure more customers are receiving the highest level of protection against fraud, updates to online banking required customers to have Macquarie Authenticator, a multi-factor authentication app, for payments above $A2,000, for certain payment methods.

Throughout FY2025, BFS continued to invest in fraud prevention solutions, including adding phone numbers to the 'Do Not Originate' list to help reduce scam calls. Payment blocks were also implemented to certain high risk Bank State Branch numbers (BSBs), including some cryptocurrency exchanges. BFS developed and employed AI detection models to identify and prevent money mules.

A key part of proactively protecting customers from fraud and scams is through customer education programs. BFS regularly updates the Macquarie Scams Hub with informative content on the latest scams activity, including resources and insights on how customers can best protect themselves against fraud and scams.

BFS continues to invest in advanced AI and machine learning biometrics to strengthen our fraud prevention capabilities, including behavioural biometric solutions that monitor customer's digital interactions to detect potential fraud and scams.

Supporting customers experiencing vulnerability

Reflecting our commitment to our customers, Macquarie Bank Limited subscribes to the latest version of the Australian Banking Association *Banking Code of Practice.* In line with this and regulatory obligations, BFS supports staff to identify, acknowledge and respond to customers experiencing vulnerability who may require additional care. Customer-facing staff members receive mandatory training and ongoing education, focused on identifying, acknowledging, and responding to customers experiencing vulnerability, and specialised workshops which provide relevant information on financial abuse, dispute support and managing difficult situations.

BFS continues to provide access to external specialist community support services, including contact information for organisations that can help in circumstances involving financial abuse and domestic violence, with ongoing client referrals to a third-party phone-based specialist. Further customer support is provided by our specialist care teams on a case-by-case basis, including financial aid for essential items, funding for legal and/or financial advice, fee and interest refunds, and assistance with accommodation and moving costs.

In FY2025, BFS enhanced its financial assistance offering, including direct access to Live Chat and improved online information for customers. BFS also refined its processes to address financial abuse in transaction descriptions for online and mobile banking products, to help protect customers.

Providing BFS customers with innovative digital solutions

In FY2024, BFS launched the digital variable rate review feature enabling home loan customers to review their current home loan interest rate and determine, in real time, if an alternative rate is available to them.

More than 395 app enhancements were made over FY2025 as part of the ongoing evolution of the digital banking experience, with continued investment in digital experiences, achieving Net Promoter Scores (NPS) of 45.8 for Mobile Banking, 30.1 for Online Banking and 21.0 for Consumer.[40]

[40] Net Promoter Score (NPS) is a global metric used to measure customer loyalty and satisfaction based on a company's brand, products or services, and the likelihood of a customer recommending the business. Data sourced from RFI-DBM Atlas as at February 2025 and reported on a 6-month moving average. Based on Australian consumers aged 18+ who have any financial relationship with the specified banks, rating their likelihood to recommend that bank.

Channels to raise concerns

In line with our obligations under ASIC *Regulatory Guide 271* (RG 271), customers can raise complaints via our website, Live Chat, phone, email, our social media platforms or mail. The effectiveness of these channels is tracked through hindsight reviews, feedback mechanisms and stakeholder engagement across the organisation through a series of reporting and forums.

All BFS staff complete annual mandatory complaints awareness training to ensure they can appropriately identify and report complaints. The resolution of complaints is achieved either at the first point of contact or through detailed case management, with each case being managed by a dedicated case manager to ensure a thorough understanding of the customer's concerns, a comprehensive review of information and the identification of an appropriate resolution.

Metrics

Complaint metrics

	FY2025	FY2024
Number of complaints	**60,617**	41,754
Complaints as a % of accounts[41]	**1.77 %**	1.37 %

BFS complaints as a proportion of its customer base remains low year on year, with the key thematic driver for a slight increase in total FY2025 complaints being changes to certain customer banking options during the period. BFS is committed to customer remediation that emphasises consistency, timeliness, fairness and transparency. When an error is identified, we follow established remediation protocols to ensure we contact the customer and provide an appropriate solution promptly.

The Macquarie Customer Advocate's role is to make it easier for our customers by helping to facilitate fair complaint outcomes and minimising the likelihood of future problems. Further detail is on page 46 in the Corporate Governance Statement of this Annual Report.

Responsible and transparent communications

There are Australian regulatory requirements in relation to treating customers fairly and ensuring statements made to customers are not misleading.

Expectations of employees to treat customers fairly are also reinforced in Macquarie's *Code of Conduct.* New starter and annual refresher training is provided to BFS employees on conduct expectations and other key topics, such as complaints management and protection of data and privacy. In line with Macquarie's obligations under ASIC regulatory guidance RG274 *Design and Distribution Obligations*, BFS monitors a range of metrics to inform any ongoing adjustments required to our target market and product offering.

Cybersecurity, Data security and Privacy

Our approach and policies

Cybersecurity

Macquarie acknowledges that cybersecurity risk arises when threat actors target the people, processes, or technology that support our business activities, and that advanced persistent threats may introduce risks beyond our reasonable control. Macquarie has established minimum requirements to reduce the risk of cyber and information security threats whilst concurrently protecting our customers and maintaining compliance with regulatory requirements to ensure the continued trust of our clients and partners.

The Board Risk Committee receives regular technology and cyber reporting updates.

Throughout FY2025, Macquarie observed the evolving threat landscape including:

- the potential for cyber attacks due to geopolitical tensions
- increasing regulation to protect individual, organisational and national security
- an increase in data breaches and high-profile ransomware attacks against supply chains, companies and individuals
- the use of new technologies, such as artificial intelligence, to perpetrate cyber attacks.

The cyber threat landscape includes financially motivated entities, nation states and hacktivists who aim to obtain unauthorised access to systems and data or disrupt Macquarie services from anywhere in the world. We continuously monitor for changes in the cyber threat landscape, assess the potential impact of identified threats on Macquarie, implement controls to mitigate these threats and manage residual risks in accordance with our risk appetite.

[41] Total complaints for the financial year against the number of BFS accounts as at the end of the reporting period.

Data security

Macquarie acknowledges the threats related to data security, such as data breaches, unauthorised access, and lack of availability, which could impact clients, staff, and operations. To manage these threats, Macquarie employs appropriate cybersecurity measures and data management practices.

Macquarie's data frameworks help manage threats against our data by ensuring the security, availability, and quality of data and supports Macquarie's data risk management objectives, which include:

- enabling effective data risk management while meeting regulatory obligations
- establishing the principles and requirements that underpin the effective governance, architecture, quality, usability, persistence and control of data across the data lifecycle
- managing data risk in alignment with the *Risk Appetite Statement*.

These objectives apply to all data handled by staff and extend to suppliers. Data risk governance includes oversight from senior management, tracking of data risk metrics, key risk and performance indicators, and proactive addressing of significant data-related issues, especially during business transformations.

Privacy

The Macquarie *Privacy Policy* sets out why we need to collect personal information, how we collect it, what we do with it, how it is stored and who we might share it with. It also describes how individuals can access or correct information about themselves and how to ask further questions or make a complaint. It is administered by a dedicated privacy and data function and is supported by privacy and data training and awareness activities.

Macquarie has processes in place to investigate data breaches involving personal information and will notify clients, customers, regulators, and other appropriate stakeholders of a data breach where we are required to do so under local legislation or as is otherwise appropriate in the circumstances.

Metric

In FY2025, there were no data protection incidents that were required to be reported under a data protection regime in which Macquarie operates.[42]

Data protection incidents

	FY2025	FY2024
Reported data protection incidents	**0**	0

[42] For example, as per section 26WE of the Australian *Privacy Act* 1988 (Cth) and reportable under Part IIIC of the Act.

Macquarie Group Foundation

The Macquarie Group Foundation (the Foundation) drives social impact work for Macquarie, supporting its people, businesses, and communities to build a better future. In 2025, the Foundation celebrates its 40-year anniversary.

Our people

The Foundation's impact reflects Macquarie's biggest asset: its people. Macquarie encourages employees to support the causes that matter to them by providing a range of benefits including donation matching, paid volunteer leave and charitable donations in recognition of time spent volunteering or serving on a non-profit board.

In FY2025, 37% of eligible employees globally were engaged in the community by giving their time, financial support or skills. Employees donated or fundraised over $A17.8 million for over 3,000 non-profit organisations, took over 2,000 days of paid volunteer leave and contributed $A5.8 million in value through skilled volunteering.[43]

In October 2024, $A5 million was raised during Macquarie's 11th annual Foundation Week, during which additional matching incentives are available. Macquarie employees organised or participated in over 290 initiatives, spanning 43 offices and supporting more than 250 non-profits globally.

Our businesses

The Foundation collaborates with Macquarie businesses to integrate shared value into existing models, identifying projects that boost both social value and commercial benefits.

In its second year, the Macquarie Shared Value Award recognised Macquarie teams and assets driving significant social outcomes. Macquarie Asset Management with TDC NET's Technology Employment Program were awarded a $A150,000 grant to Specialisterne for an employment program for individuals living with autism. Macquarie Capital, together with Voneus Broadband, were awarded a $A150,000 grant to the Digital Poverty Alliance to provide digital devices and digital literacy programs to low-income households in the North of England.

Our communities

Acknowledging global employment barriers, the Foundation deploys grants and social impact investments to create effective employment pathways. The Foundation's grantmaking and social impact investments are complemented by employee support through pro bono support, mentoring, training, knowledge sharing and employability programs.

In FY2025, the Foundation provided $A12.2 million in philanthropic and impact investment funding to 57 employment focused partners. The Foundation's existing employment focused partners reported supporting 7,400 people into employment, with over 30,000 people supported through training, upskilling and employment programs.[44]

In early FY2025, the Foundation made an investment in Redemption Roasters (UK), a social enterprise whose mission is to reduce reoffending by offering professional coffee industry training and employment pathways for prison leavers. Later in FY2025, Macquarie welcomed Redemption Roasters to our London office as our new in-house coffee provider, further bringing the social impact work of the Foundation to life and showcasing the meaningful work Redemption does for those who face significant barriers to employment.

Our broader community

Macquarie Sports

Macquarie Sports aims to engage young Australians by improving access to sporting opportunities. In FY2025, it supported 22 sporting clinics nationwide, reaching over 2,300 participants.

To celebrate 25 years of Macquarie Sports, the Athletes in Schools program was launched, with the aim of inspiring primary school students around Australia. Throughout November 2024, Macquarie Sports took some of the country's best sportspeople to underserved schools in every state and territory, where over 3,500 children had the opportunity to meet an athlete, ask a question and hold an Olympic or Paralympic medal.

Macquarie Group Collection

The Macquarie Group Collection is a unique corporate philanthropy model featuring over 950 works themed "The Land and Its Psyche". It showcases artists by displaying their art in more than 40 Macquarie offices globally.

Metrics

Macquarie Group Foundation contributions

	FY2025	FY2024
Total Contribution	**$A57m**	$A67m
Contributed since inception in 1985[45]	**$A698m**	$A641m

[43] In the 12 months to 31 March 2025. Figure calculated using Taproot Foundation's average hourly value of pro bono service ($US220 per hour converted to $A336.38 as per average exchange rate in the 12 months to 31 March 2025) multiplied by Macquarie employees' skilled volunteering hours (17,307 hours).

[44] Data was supplied and not independently verified between 1 April 2024 – 31 March 2025 for activities undertaken by Macquarie's employment focused partners with philanthropic and impact investment support from Macquarie Group. 'Into employment' is defined by our partners using one or more of these categories: type of work, hours of work, living wage work, meaningful work, secure work, career progression, income progression, jobs created, jobs maintained. It is possible for a person to be counted as employed more than once (for example: if they move to another employment position within the reporting period). 'Support' is defined by our partners using one or more of these categories: direct help, indirect help, giving information. 'Into employment' is a subset of the total number of people supported.

[45] Contribution figures comprise Macquarie employees' donations and fundraising; Foundation matching support for employees' donations and fundraising; Foundation donations to commemorate employees attaining 10-year and 25-year anniversaries at Macquarie; Foundation grants to non-profit organisations to recognise 12 months of board service by a Macquarie employee; and Macquarie and Foundation grants and social impact investments to community organisations since inception in 1985 to 31 March 2025.

Governance (Business Conduct)

Business conduct and ethics

Macquarie's purpose 'Empowering people to innovate and invest for a better future' represents why we exist and what we do. We believe that by empowering people – our employees, clients, communities, shareholders and partners – we will achieve our shared potential.

Business conduct policies and corporate culture

Our approach and policies

Macquarie sets, promotes, monitors and reflects on risk culture. All staff have a role in managing risk, and fostering an appropriate and effective risk culture. Macquarie's Risk Culture teams are responsible for developing and maintaining the risk culture framework, including monitoring, reporting and overseeing risk culture. As part of their role, risk culture specialists enable and embed effective risk culture through uplift initiatives, advisory, review and challenge.

Macquarie's Conduct Risk team is responsible for managing Conduct Risk through establishing and maintaining the Conduct Risk Management Framework and associated policies, processes, guidelines, controls and reporting mechanisms. The team also provides conduct risk training and awareness activities for Macquarie employees, and provides regular reports to the BGCC.

Further details on Macquarie's risk culture and approach to conduct risk is provided on pages 56-57 in the **Risk management** section of this Annual Report.

Consistent with our purpose and principles, Macquarie is committed to providing an environment in which people are comfortable raising concerns about improper conduct, ensuring that those who do so do not experience negative consequences for doing so.

Macquarie's Integrity Office provides an internally independent and confidential point of contact for Macquarie employees and external parties to safely raise concerns about improper conduct. It is responsible for implementing the global *Whistleblower Policy* and managing the investigation of disclosures raised under this policy. The policy outlines the principles that govern how Macquarie protects those who raise concerns about improper conduct under the policy. Improper conduct includes matters such as breach of law, serious breaches of Macquarie's policies and the *Code of Conduct*, financial malpractice, concerns about human rights, or unethical behaviour.

The policy explains how concerns should be raised, including to the Integrity Office and the Integrity Hotline (an externally managed service enabling concerns to be raised anonymously), and Macquarie's process for managing the investigation of concerns raised under the policy.

All Macquarie employees have access to the *Whistleblower Policy* on Macquarie's intranet and are provided with training about the policy, their rights and obligations under it, and the channels available to raise concerns. Macquarie employees with particular obligations under the policy receive regular training, including how to respond to concerns covered by the policy.

The Integrity Office acts on information from disclosures, investigating concerns and making recommendations. In addition to consequences for employees, disclosures may lead to actions including improvements to policy and process, training and additional communications.

Further details are provided on page 46 in the **Corporate Governance Statement** of this Annual Report.

Metric

Disclosures received by the Integrity Office[46]

In FY2025, the Integrity Office received disclosures covering behaviour inconsistent with the *Code of Conduct*, policy breaches, unfair employment practices, business culture, and inappropriate staff behaviour.

	FY2025	FY2024
Disclosures received by the Integrity Office	**83**	74

Financial crime, anti-bribery and corruption

Macquarie's financial crime risk governance framework outlines our approach for identifying, mitigating and managing financial crime risks including money laundering and counter-terrorist financing, bribery and corruption and sanctions. This includes maintaining appropriate policies, standards and procedures, endorsed by Senior Management and working closely with AUSTRAC, international regulators, law enforcement and the Fintel Alliance to detect and deter financial crime. Macquarie employees receive annual training on preventing financial crime risk with additional training and communications provided as required based on risk, including for board directors.

Macquarie maintains a group wide *Anti-Money Laundering and Counter Terrorism Financing (AML/CTF) Framework and Policy* that manages the risk that Macquarie's products and services might be involved in, or used to facilitate, money laundering or terrorism financing (ML/TF). The policy is a key component of Macquarie's AML/CTF framework, outlining the key obligations and responsibilities of staff to identify, mitigate and manage ML/TF risks that Macquarie faces with its customers and their use of Macquarie products and services.

46 Covers all disclosures received by the Integrity Office and the Integrity Hotline, including whistleblower disclosures.

Macquarie's *Anti-Bribery and Corruption Policy* outlines the expectations and elements of Macquarie's anti-bribery and corruption framework and program of activities to prevent, detect and deter bribery or corruption (B&C). The anti-bribery and corruption framework sets out the company-wide approach to managing the risk of B&C. Anti-bribery and corruption training and awareness forms part of the control framework.

Macquarie employees must report suspected or actual instances of bribery or other corrupt practices in accordance with our *Anti-Bribery and Corruption Policy, Whistleblower Policy* and *Incidents and Issues Policy* and have multiple avenues of reporting available to them, including the Integrity Hotline, if they wish to remain anonymous. Macquarie employees are protected from any form of retaliation when raising concerns.

The *Economic and Trade Sanctions Policy* forms part of Macquarie's financial crime governance framework, setting out Macquarie's approach to compliance with global sanctions obligations, ensuring compliance with applicable sanctions and safeguarding Macquarie against dealings that may expose it to an unacceptable level of sanctions risk.

Political engagement and public policy

Macquarie considers it important to be engaged and understand the evolving policy, political and regulatory environments in Australia and other jurisdictions in which we operate, as these factors impact our business as well as our clients' businesses.

As a listed financial institution operating in highly regulated sectors, we have a responsibility to our shareholders, funders, clients, employees and communities to understand and contribute to public policy and to ensure that our organisation and operating environments are well understood by parliamentarians and policy makers.

Additionally, our clients, many of whom also operate in regulated sectors, expect us to have detailed current knowledge of public policy issues and drivers when we provide them with advice and services.

Macquarie contributes to public policy in the markets in which we operate in the following ways:

- making submissions to industry consultation processes and inquiries, where appropriate, either by Macquarie directly or as part of a broader industry group
- participating in government and other policy advisory panels when invited and where we can make a differentiated contribution based on our expertise
- engaging with parliamentarians and policy-makers through formal meetings, attending events, public forums and parliamentary inquiries where appropriate
- contributing to the advocacy work done by industry groups in key markets around the world, representing sectors such as financial services and markets, infrastructure, energy as well as general business peak bodies.

In many jurisdictions, political parties are typically funded by a mix of public and private monies. Macquarie has a full disclosure policy and declares all monies paid to political parties. As part of its engagement with political processes in Australia and the United Kingdom, Macquarie provides financial support to the major political parties, primarily through attendance at events.

In Australia, we disclose all monies paid to the Australian Electoral Commission (AEC) by Macquarie regardless of any thresholds or other provisions that may otherwise limit the need to disclose. This disclosure is made by way of an annual AEC return on a 1 July to 30 June basis and is published by the AEC in the February following the end of the disclosure year. In the year ended 30 June 2024, Macquarie's political contributions in Australia totalled $A196,958 comprising of $A101,000 to the Australian Labor Party, $A86,058 to the Liberal Party of Australia and $A9,900 to the National Party of Australia. Contributions were to meet the costs of memberships of political party business forums, attendance at events and party conference corporate days, and sponsorship and hosting of events.

In the year end 30 June 2024, Macquarie's political contributions in the United Kingdom totalled £23,621, comprising of £19,772 to the Labour Party and £3,849 to the Conservative Party. Contributions were to meet the costs of memberships of political party business forums and attendance at events.

Except for the donations disclosed above, Macquarie did not make any other donations to any political party in the year ended June 2024. We do not report the contributions made by staff members in a personal capacity.

Management of relationships with suppliers

Macquarie's *Service Provider Risk Management Policy* and sustainable procurement framework guide how Macquarie manages environmental, social, and economic impacts across the corporate supply chain, integrating sustainability throughout the procurement life cycle. We also require those suppliers who we consider as presenting heightened ESG risk to acknowledge Macquarie's *Principles for Suppliers* which outlines expectations in regards to how they manage and consider these impacts and other corporate governance considerations.

Macquarie remains committed to ensuring we pay small suppliers in a timely manner, in line with global regulatory obligations. Macquarie continues to improve small supplier payment times, with over 99% of small suppliers in Australia paid in less than 30 days from date of receipt of invoice.

Macquarie has committed to spending 1% of annual global spend (in our tier one and tier two supply chains) with diverse suppliers and 10% of annual global spend with small businesses by FY2025.[47] In FY2025, Macquarie spent over $A37.7 million (or 1.1% of global spend) with diverse suppliers and over $A259.9 million (or 7.6% of global spend) with small businesses.

Macquarie has recently refreshed the supplier diversity commitment to spend a cumulative $A150 million with diverse suppliers from FY2026 to FY2030.

Since the launch of our Reconciliation Action Plan in Australia in February 2023, Macquarie has engaged with First Nations suppliers, partnering with Supply Nation, as the peak body that aims to grow the Aboriginal and Torres Strait Islander business sector through the promotion of supplier diversity in Australia.

In FY2025, we continued to achieve full compliance with Macquarie's *Service Provider Risk Management Policy's* environmental and social risk requirements, meaning that 100% of suppliers identified as having heightened ESR risk have completed the supplier ESR questionnaire and acknowledged the *Principles for Suppliers*.

We have also continued to engage an independent auditor to complete ESR audits. These audits follow the Sedex Members Ethical Trade Audit (SMETA) social auditing methodology enabling us to assess our sites and suppliers to understand working conditions in the supply chain. These audits are part of the actions undertaken by Macquarie to identify and mitigate the risk of modern slavery and human trafficking occurring in our value chain. Further information can be found in Macquarie's Modern Slavery Statement.

Tax transparency

Macquarie acknowledges stakeholder expectations for increased transparency on tax-related matters. Macquarie is a signatory to the Australian Board of Taxation's voluntary *Tax Transparency Code*.

FY2025 **Consolidated Entity Disclosure Statement** (CEDS) is provided on pages 285-312 of this Annual Report

[47] Diverse suppliers means businesses owned and operated by an individual or group that is part of a traditionally underrepresented group in society such as companies owned and operated by minorities, women, or First Nations peoples.

03

Directors' Report

Award-winning banking, Australia

Banking and Financial Services delivers award-winning personal banking, business banking and wealth management experiences to approximately 2 million Australians, empowering them to build, manage and protect their financial future with confidence.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Directors' Report

For the financial year ended 31 March 2025

The Directors of MGL submit their report with the financial report of the Consolidated Entity and of the Company for the year ended 31 March 2025.

Principal activities

The principal activity of MGL during the financial year ended 31 March 2025 was to act as a Non-Operating Holding Company (NOHC) for the Consolidated Entity. The activities of the Consolidated Entity were those of a global financial group providing clients with asset management, retail and business banking and wealth management, as well as advisory, risk and capital solutions across debt, equity, financial markets and commodities. In the opinion of the Directors, there were no significant changes to the principal activities of the Consolidated Entity during the financial year under review that are not otherwise disclosed in this report.

Result

The financial report for the financial year ended 31 March 2025 has been prepared in accordance with Australian Accounting Standards.

The consolidated profit after income tax attributable to the ordinary equity holders for the financial year ended 31 March 2025 was $A3,715 million (2024: $A3,522 million).

Dividends and distributions

Subsequent to the year ended 31 March 2025, the Directors have resolved to pay a final ordinary dividend of $A3.90 per share ($A1,486 million in aggregate), 35% franked based on tax paid at 30%. The final ordinary dividend is payable on 2 July 2025.

On 17 December 2024, the Company paid an interim ordinary dividend of $A2.60 per share ($A987 million in aggregate), 35% franked, for the financial year ended 31 March 2025.

On 2 July 2024, the Company paid a final ordinary dividend of $A3.85 per share ($A1,465 million in aggregate), 40% franked, for the financial year ended 31 March 2024.

No other ordinary share dividends or distributions were declared or paid during the financial year by the Company.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, amounts in the Directors' Report and Financial Report have been rounded off to the nearest million Australian dollars unless otherwise indicated.

Events subsequent to balance date

On 21 April 2025, the Consolidated Entity entered into a sales agreement for the disposal of Macquarie Asset Management's North-American and European public investments business to a global financial services group. The assets and liabilities of these businesses are classified as held for sale as at 31 March 2025. The transaction is subject to regulatory approvals and customary closing conditions and is expected to close by the end of the calendar year 2025. There is not expected to be a material change in the Consolidated Entity's shareholders' equity as a result of the disposal.

At the date of this report the Directors are not aware of any matter or circumstance, other than the above and transactions disclosed in the financial statements, that has arisen and has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the financial years subsequent to 31 March 2025.

State of affairs

There were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review that are not otherwise disclosed in this report.

Operating and financial review

Please refer to section 1 of this Annual Report for the following in respect of the Consolidated Entity:

- a review of operations during the year and the results of those operations
- likely developments in the operations in future financial years and the expected results of those operations
- comments on the financial position
- comments on business strategies and prospects for future financial years.

In respect of likely developments, business strategies and prospects for future financial years, material which if included would be likely to result in unreasonable prejudice to the Consolidated Entity, has been omitted.

Environmental regulations

The Consolidated Entity has policies and procedures in place that are designed to ensure that, where operations are subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory, those obligations are identified, appropriately addressed and material breaches notified.

The Directors have determined that there has not been any material breach of those obligations during the financial year.

Directors

At the date of this report, the Directors of MGL are:

Independent Directors

G.R. Stevens AC, Chair

J.R. Broadbent AC

P.M. Coffey

M.A. Hinchliffe

S.J. Lloyd-Hurwitz

R.J. McGrath

M. Roche

Executive Voting Director

S.R. Wikramanayake, Managing Director and Chief Executive Officer (CEO)

The Directors listed above each held office as a Director of MGL throughout the financial year ended 31 March 2025.

Those Directors listed as Independent Directors have been independent throughout the period of their appointment.

Details of the qualifications, experience and special responsibilities of the Directors and qualifications and experience of the Company Secretaries at the date of this report are set out on pages 92 to 96.

Directors' and officers' indemnification and insurance

Under MGL's Constitution, MGL indemnifies all past and present directors and secretaries of MGL and its wholly-owned subsidiaries (including at this time the Directors named in this report and the Secretaries), against certain liabilities and costs incurred by them in their respective capacities. The indemnity covers the following liabilities and legal costs (subject to the exclusions described as follows):

- every liability incurred by the person in their respective capacity
- all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings in which the person becomes involved because of their respective capacity
- legal costs incurred by the person in good faith in obtaining legal advice on issues relevant to the performance and discharge of their duties as an officer of MGL and its wholly-owned subsidiaries, if that has been approved in accordance with MGL policy.

This indemnity does not apply to the extent that:

- MGL is forbidden by law to indemnify the person against the liability or legal costs, or
- an indemnity by MGL of the person against the liability or legal costs, if given, would be made void by law.

MGL has also entered into a Deed of Access, Indemnity, Insurance and Disclosure (as amended from time to time) (Deed) with each of the Directors. Under the Deed, MGL agrees to, among other things:

- indemnify the Director upon terms broadly consistent with the indemnity contained in MGL's Constitution
- take out and maintain an insurance policy against liabilities incurred by the Director acting as an officer of MGL or its wholly-owned subsidiaries. The insurance policy must be for an amount and on terms and conditions appropriate for a reasonably prudent company in MGL's position. Insurance must be maintained for seven years after the Director ceases to be a Director or until any proceedings commenced during that period have been finally resolved (including any appeal proceedings)
- grant access to the Director to all relevant company papers (including Board papers and other documents) for seven years after the Director ceases to be a Director or until any proceedings commenced during that period have been finally resolved (including any appeal proceedings).

In addition, MGL made an Indemnity and Insurance Deed Poll on 12 September 2007 (Deed Poll). The benefit of the undertakings made by MGL under the Deed Poll have been given to each of the directors, secretaries, persons involved in the management and certain other persons, of MGL and its wholly-owned subsidiaries and other companies where the person is acting as such at the specific request of MGL and its wholly-owned subsidiaries. The Deed Poll provides for broadly the same indemnity and insurance arrangements for those persons with the benefit of the Deed Poll as for the Deed described above. However, the Deed Poll does not provide for access to company documents.

The indemnities and insurance arrangements provided for under the MGL Constitution, the Deed and the Deed Poll, are broadly consistent with the corresponding indemnities and insurance arrangements provided under the MBL Constitution and deeds entered into by MBL.

Macquarie maintains and pays for a Directors' and Officers' insurance policy that provides cover for each person in favour of whom such insurance is required to be taken out under the Deed and the Deed Poll and for MGL in indemnifying such persons pursuant to the Deed and the Deed Poll. The Directors' and Officers' insurance policy prohibits disclosure of the premium payable under the policy and the nature of the liabilities insured.

To the extent permitted by law, MGL has agreed to reimburse its auditor, PricewaterhouseCoopers (PwC), for any liability (including reasonable legal costs) PwC incurs in connection with any claim by a third party arising from MGL's breach of the letter of engagement dated 25 July 2024.

Directors' relevant interests

As at the date of this report, the Directors have relevant interests in MGL ordinary shares, MGL securities, or managed investment schemes made available by related companies of MGL and other relevant disclosable interests, as notified by the Directors to ASX in accordance with the *Corporations Act 2001* (Cth) (the Act), in the following:

	RELEVANT INTERESTS IN SHARES			OTHER RELEVANT INTERESTS	
Name and position	MGL ordinary shares	RSUs held in MEREP[1]	PSUs held in MEREP[1]	Direct and Indirect Interests	Number held
Executive Voting Director					
S.R. Wikramanayake	1,283,941[2]	508,088	84,241	MAFCA Investments Pty Ltd ordinary shares	2,000,000
Independent Directors					
J.R. Broadbent AC	16,062	–	–	Macquarie Group Capital Notes 4 (MCN4)	4,000
				Macquarie Bank Capital Notes 2 (BCN2)	1,500
P.M. Coffey	8,895	–	–	Walter Scott Global Equity Fund units	487,008.35
				IFP Global Franchise Fund II units	567,848.22
M.A. Hinchliffe	2,800	–	–	–	–
S.J. Lloyd-Hurwitz	1,148	–	–	–	–
R.J. McGrath	3,817	–	–	–	–
M. Roche	7,000	–	–	–	–
G.R. Stevens AC	5,847	–	–	–	–

During the financial year, Directors received dividends relating to their holdings of MGL ordinary shares at the same rate as other shareholders.

1 These RSUs and PSUs were issued pursuant to the MEREP and are subject to the vesting, forfeiture and other conditions applied to grants of awards to Executive Directors, as described in Note 32 *Employee equity participation* to the financial statements in the Financial Report.
2 This includes a relevant interest in 15,360 MQG Shares held in the estate of Dr PR Wikramanayake, of which Ms Wikramanayake is an executor.

Board and Board Committee meetings and attendance

The number of meetings of the Board of Directors (the Board) and of the Committees of the Board and the individual attendance by Directors at those meetings which they were eligible to attend as members, during the financial year, is summarised in the table below. The table excludes the attendance of those Directors who attended the Board Committee meetings of which they were not a member.

	Committee membership	Regular Board meetings[3]	BAC meetings[3,4]	BGCC meetings[3,4]	BNC meetings[3]	BRC meetings[3,4]	BRiC meetings[3,4]	Special Board meetings[3]
Number of meetings		8	9	5	3	7	6	3
Chair and Executive Directors								
G.R. Stevens AC	C	8/8			3/3			3/3
S.R. Wikramanayake		8/8						3/3
Non-Executive Directors								
J.R. Broadbent AC	C	8/8			3/3	7/7	6/6	3/3
P.M. Coffey	C	8/8		5/5	3/3		6/6	3/3
M.A. Hinchliffe	C	8/8	9/9	5/5	3/3			2/3
S.J. Lloyd-Hurwitz		8/8	8/9		3/3	6/7		2/3
R.J. McGrath	C	8/8		5/5	2/3		6/6	3/3
M. Roche		7/8	8/9		3/3	7/7	6/6	3/3

Key

Ⓒ Committee Chair

Board Audit Committee

Board Governance & Compliance Committee

Board Nominating Committee

Board Remuneration Committee

Board Risk Committee

The Chair of the Board and the CEO receive a standing invitation to all Board Committee meetings and attend as they consider appropriate. All Board members are sent Board Committee meeting agendas and may attend any meeting.

There was one Board sub-committee convened during the period, with two meetings held. Both meetings were attended by all eligible sub-committee members, being Mr Stevens, Ms Wikramanayake, Ms Hinchliffe and the Chief Financial Officer (CFO), Mr Harvey.

There was one Board Risk Committee sub-committee convened during the period, with two meetings held. The meetings were attended by Mr Coffey and Mr Roche for both meetings and by Ms McGrath for one meeting.

[3] Number of meetings attended by the member/total number of meetings eligible to attend as a member. Some of the special board and committee meetings and sub-committee meetings were called at short notice and not all members were able to attend.

[4] There was one meeting of the relevant committee that was a joint meeting during the year.

Directors' experience and special responsibilities

Glenn R Stevens AC

BEc (Hons) (Sydney), MA (Econ) (UWO)

Resides: New South Wales

Independent Chair of MGL and MBL since May 2022

Independent Voting Director of MGL and MBL since November 2017

Mr Stevens is Chair of the BNC

Experience

Glenn Stevens worked at the highest levels of the Reserve Bank of Australia (RBA) for 20 years and, as well as developing Australia's successful inflation targeting framework for monetary policy, played a significant role in central banking internationally. Most recently, he was Governor of the Reserve Bank of Australia between 2006 and 2016.

Mr Stevens has also made key contributions to a number of Australian and international boards and committees, including as Chair of the Australian Council of Financial Regulators between 2006 and 2016, as a member of the Financial Stability Board and on a range of G20 committees.

Other current directorships/appointments

- Board member, NSW Treasury Corporation
- Director, Anika Foundation
- Director, Lowy Institute
- Deputy Chair, Temora Aviation Museum

Shemara R Wikramanayake

BCom, LLB (UNSW)

Resides: New South Wales

Managing Director and Chief Executive Officer of MGL since December 2018

Executive Voting Director of MGL and MBL since August 2018

Experience

Shemara Wikramanayake has been Macquarie's Managing Director and CEO since late 2018.

Shemara joined Macquarie in 1987 in Macquarie Capital in Sydney. In her time at Macquarie, Shemara has worked in six countries and across several business lines, establishing and leading Macquarie's corporate advisory offices in New Zealand, Hong Kong and Malaysia, and the infrastructure funds management business in the US and Canada. Shemara has also served as Chair of the Macquarie Group Foundation.

As Head of Macquarie Asset Management for 10 years before her appointment as CEO, Shemara led a team of 1,600 staff in 24 markets. Macquarie Asset Management grew to become a world-leading manager of infrastructure and real assets and a top 50 global public securities manager.

Before joining Macquarie, Shemara worked as a corporate lawyer at Blake Dawson Waldron in Sydney. She holds Bachelor of Commerce and Bachelor of Laws degrees from UNSW and completed the Advanced Management Program at Harvard Business School in 1996.

Other current directorships/appointments

- Australian Government Business Champion for the Philippines
- Member, International Advisory Panel, Monetary Authority of Singapore
- Member, World Bank Private Sector Investment Lab
- Member of Principals Group, Glasgow Financial Alliance for Net Zero (GFANZ)
- Member, Global Investors for Sustainable Development Alliance

Jillian R Broadbent AC

BA (Maths & Economics) (Sydney)

Resides: New South Wales

Independent Voting Director of MGL and MBL since November 2018

Ms Broadbent is Chair of the BRC and a member of the BNC and BRiC

Experience

Jillian Broadbent has extensive investment banking industry knowledge and markets expertise, including a deep knowledge of risk management and regulation in these areas. She also has considerable executive management and listed company board experience. Ms Broadbent spent 22 years at Bankers Trust Australia until 1998, initially as an economic strategist and then as executive director responsible for risk management and derivatives in foreign exchange, interest rates and commodities.

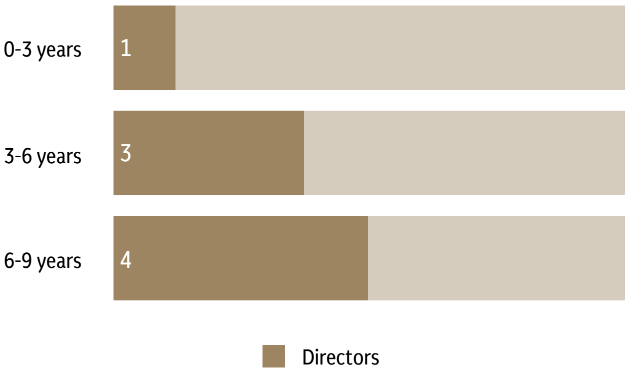
Ms Broadbent was also a Member of the Reserve Bank of Australia Board between 1998 and 2013 and has previously served as Chair of the Board of Clean Energy Finance Corporation (CEFC), and as a director of ASX Limited, SBS, Coca Cola Amatil Limited, Woodside Petroleum Limited, Qantas Airways Limited, Westfield Management Limited, Woolworths Group Limited and the National Portrait Gallery of Australia.

Other current directorships/appointments

- Director, Lowy Institute
- Director, National Portrait Gallery Board Foundation
- Director, Seaborn, Broughton & Walford Pty. Limited
- Director, Sydney Dance Company

Gender diversity

Board tenure



Board independence

88% of Board members are independent directors

Directors' experience and special responsibilities

Continued

Philip M Coffey

BEc (Hons) (Adelaide), GAICD, SF Finsia

Resides: New South Wales

Independent Voting Director of MGL and MBL since August 2018

Mr Coffey is Chair of the BRiC and a member of the BGCC and BNC

Experience

Phil Coffey served as the Deputy Chief Executive Officer (CEO) of Westpac Banking Corporation, from April 2014 until his retirement in May 2017. As the Deputy CEO, Mr Coffey had the responsibility for overseeing and supporting relationships with key stakeholders of Westpac including industry groups, regulators, customers and government. He was also responsible for the Group's Mergers & Acquisitions function. Prior to this role, Mr Coffey held a number of executive positions at Westpac including Chief Financial Officer and Group Executive, Westpac Institutional Bank.

He has successfully led operations based in Australia, New Zealand, the United States, the United Kingdom and Asia and has extensive experience in financial markets, funds management, balance sheet management and risk management. He began his career at the Reserve Bank of Australia and has also held executive positions at AIDC Limited and Citigroup. Mr Coffey previously served as a director of Clean Energy Finance Corporation.

Listed company directorships (last three years)

- Director, Lendlease Group (Lendlease Corporation Limited and Lendlease Responsible Entity Limited) (since January 2017)

Other current directorships/appointments

- Director, Goodstart Early Learning Ltd

Michelle A Hinchliffe

BCom (UQ), FCA, ACA, MAICD

Resides: United Kingdom

Independent Voting Director of MGL and MBL since March 2022

Ms Hinchliffe is Chair of the BAC and a member of the BGCC and BNC

Experience

Michelle Hinchliffe has more than 35 years' professional experience within the financial services sector. She has worked in geographically diverse and complex environments providing advice in a range of areas including financial and regulatory reporting, internal controls, risk management and business processes.

Michelle was the Lead Audit Partner for a number of global banking institutions as well as the Head of Audit, KPMG UK from September 2017 to April 2019 and then Chair of Audit, KPMG UK from May 2019 to September 2021. During the period from May 2019 to February 2022 she was a board member of KPMG UK. Prior to this she was the Head of Financial Services for KPMG Australia, where she was also a member of the board.

Listed company directorships (last three years)

- Director, BHP Group Limited (since March 2022)

Other current directorships/appointments

- Director, Santander UK plc
- Director, Santander UK Group Holdings plc
- Member, Institute of Chartered Accountants in England and Wales (ICAEW) Australasia Strategy Advisory Group

Susan J Lloyd-Hurwitz

BA (Hons) (USYD),
MBA (Distinction), INSEAD

Resides: New South Wales

Independent Voting Director of MGL since June 2023 and MBL since July 2023

Ms Lloyd-Hurwitz is a member of the BAC, BNC and BRC

Experience

Susan Lloyd-Hurwitz has significant expertise in the global investment and real estate sectors. She served as the CEO of Mirvac for more than a decade and prior to that was the Managing Director of Europe for LaSalle Investment Management.

Susan was the National President for the Property Council of Australia, a director of the Business Council of Australia, and Chair of the Green Building Council of Australia.

Listed company directorships (last three years)

- Chief Executive Officer and Managing Director, Mirvac Group (November 2012–June 2023)
- Director, Rio Tinto Limited (since June 2023)

Other current directorships/appointments

- Director, Rio Tinto plc
- Director, Spacecube Pty Ltd
- Director and President, Chief Executive Women
- Chair, Advisory Board, Gender Equality and Inclusion @ Work
- Chair, Australian National Housing Supply & Affordability Council
- Global Board member, INSEAD
- Member, Sydney Opera House Trust

Rebecca J McGrath

BTP (Hons) (UNSW), MAppSc (ProjMgt) (RMIT), FAICD

Resides: Victoria

Independent Voting Director of MGL and MBL since January 2021

Ms McGrath is Chair of the BGCC and a member of the BNC and BRiC

Experience

Rebecca McGrath is an experienced professional company director and Chair, with substantial international business experience. She spent 25 years at BP plc. where she held various executive positions, including Chief Financial Officer Australasia and served as a member of BP's Executive Management Board for Australia and New Zealand.

Ms McGrath has served as a director of Goodman Group, CSR Limited, Big Sky Credit Union and Incitec Pivot Ltd, and as Chair of Scania Australia Pty Limited and Kilfinan Australia. She is a former member of the JP Morgan Advisory Council. She has attended executive management programmes at Harvard Business School, Cambridge University and MIT in Boston.

Listed company directorships (last three years)

- Chair, OZ Minerals Limited (May 2017–May 2023); Director (November 2010–May 2023)
- Director, Goodman Group (April 2012–February 2023)
- Director, Djerriwarrh Investments Limited (since January 2024)

Other current directorships/appointments

- Chair, Investa Commercial Property Fund (ICPF)
- Chair, Investa Wholesale Funds Management Limited
- Director, Investa Office Management Holdings Pty Limited
- Director, Melbourne Business School Limited
- Director, UniSuper
- Member, The Australian British Chamber of Commerce Advisory Council
- Member, ASIC Corporate Governance Consultative Panel

Directors' experience and special responsibilities

Continued

Mike Roche

BSc (UQ), GAICD,
FIA (London), FIAA

Resides: New South Wales

Independent Voting Director of MGL and MBL since January 2021

Mr Roche is a member of the BAC, BNC, BRC and BRiC

Experience

Mike Roche has over 40 years' experience in the finance sector as a highly skilled and experienced provider of strategic, financial, mergers and acquisitions, and capital advice to major corporate, private equity and government clients. He held senior positions with AXA Australia as a qualified actuary and Capel Court/ANZ Capel Court.

Mr Roche spent more than 20 years at Deutsche Bank and was Head of Mergers and Acquisitions (Australia and New Zealand) for 10 years where he advised on major takeovers, acquisitions, privatisations, and divestments. He stepped down as Deutsche Bank's Chair of Mergers and Acquisitions (Australia and New Zealand) in 2016. He was a member of the Takeovers Panel for two terms from 2008 to 2014.

Listed company directorships (last three years)

- Director, Wesfarmers Limited (since February 2019)

Other current directorships/appointments

- Director, MaxCap Group Pty Ltd
- Director, Te Pahau Management Ltd
- Managing Director, M R Advisory Pty Ltd
- Co-founder and Director, Sally Foundation

Company secretaries' qualifications and experience

Simone Kovacic

BBus LLB (Hons) (UTS), LLM (Sydney), FGIA

Company Secretary since December 2022

Experience

Simone Kovacic is a Division Director of Macquarie, having joined in 2009. Simone leads the Legal and Governance Group's corporate governance function, including responsibility for Macquarie's company secretarial requirements and corporate governance matters. She has over 20 years' experience as a corporate lawyer at Macquarie and, prior to Macquarie, in private practice at Skadden, Arps, Slate, Meagher & Flom LLP in the US and at Freehills in Sydney.

Olivia Shepherd

BCM (UoW), BCom (UoW), MSc (LSBU), FGIA

Assistant Company Secretary since December 2022

Experience

Olivia Shepherd is a Division Director of Macquarie. Olivia has company secretarial responsibilities and provides corporate governance advice. She has over 15 years' company secretarial and governance experience with Macquarie and Investec Bank plc in the UK.

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Executive Committee

Shemara R Wikramanayake

Managing Director and Chief Executive Officer of MGL

Chief Executive Officer of MGL since August 2018

Member of Executive Committee since 1 August 2008

Experience

Shemara has been Macquarie Group's Managing Director and CEO since late 2018.

Shemara joined Macquarie in 1987 in Macquarie Capital in Sydney. In her time at Macquarie, Shemara has worked in six countries and across several business lines, establishing and leading Macquarie's corporate advisory offices in New Zealand, Hong Kong and Malaysia, and the infrastructure funds management business in the US and Canada. Shemara has also served as Chair of the Macquarie Group Foundation.

As Head of Macquarie Asset Management for 10 years before her appointment as CEO, Shemara led a team of 1,600 staff in 24 markets. Macquarie Asset Management grew to become a world-leading manager of infrastructure and real assets and a top 50 global public securities manager.

Shemara sits on the Supervisory Board of the World Bank's Global Center on Adaptation and was a founding CEO of the United Nations Climate Finance Leadership Initiative (CFLI). She is the Australian Government's Business Champion for the Philippines and a member of the Monetary Authority of Singapore's International Advisory Panel, the World Bank Private Sector Investment Lab, and the Global Investors for Sustainable Development (GISD) Alliance.

Greg C Ward

Deputy Managing Director of MGL
Head of Banking and Financial Services

Member of Executive Committee since 3 March 2005

Experience

Greg has been Head of Banking and Financial Services since July 2013 and Deputy Managing Director of Macquarie Group Limited since 2011.

Greg joined Macquarie in 1996, the year the organisation became publicly listed, and during his tenure has driven the growth of Macquarie's retail financial services business. He has over 30 years' experience in finance and financial services.

Chief Financial Officer for 14 years before being appointed Deputy Managing Director of Macquarie Group, Greg was also Chief Executive Officer of the Group's banking subsidiary, Macquarie Bank, from 2011 to 2013.

Evie N Bruce

Group General Counsel
Head of Legal and Governance Group

Member of Executive Committee since 2 March 2022

Experience

Evie has been the Group General Counsel and Head of the Legal and Governance Group since March 2022.

Evie is a lawyer with nearly 30 years' practice and management experience, across ANZ, Asia and the US, specialising in mergers and acquisitions, capital markets, and the financial services sector.

Prior to joining Macquarie, Evie worked for King & Wood Mallesons where she led the law firm's extensive global engagement with Macquarie's businesses for a number of years.

Evie is a member of Corporations Committee of the Law Council of Australia, Law Society of New South Wales, and State Bar of New York. She is also a member of the Macquarie Group Foundation Committee.

Andrew F Cassidy

Chief Risk Officer
Head of Risk Management Group

Member of Executive Committee since 1 January 2022

Experience

Andrew was appointed Chief Risk Officer in early 2022.

After joining Macquarie in 2004, Andrew spent over 15 years working in Macquarie Capital, across various roles including leadership of Macquarie's principal investment activity in Asia Pacific. He joined the Risk Management Group in 2019 and has overseen the continued strengthening of Macquarie's risk framework.

Andrew also manages the day-to-day operation of the Internal Audit function, which is primarily managed by the Board Audit Committee.

Stuart D Green

Managing Director and Chief Executive Officer of MBL

Chief Executive Officer of MBL since July 2021

Member of Executive Committee since 1 July 2021

Experience

Stuart has been Managing Director and CEO of Macquarie Bank Ltd since July 2021.

Stuart joined Macquarie in 2001 and worked in the Corporate and Asset Finance group, responsible for originating asset financing transactions. In 2002, he assumed responsibility for investor relations for Macquarie's listed airport fund, Macquarie Airports, before moving to become Global Head of Investor Relations for Macquarie's portfolio of listed funds. In 2008, he was appointed Head of Corporate Communications and Investor Relations, responsible for managing Macquarie's relationships with investors and analysts, government and media.

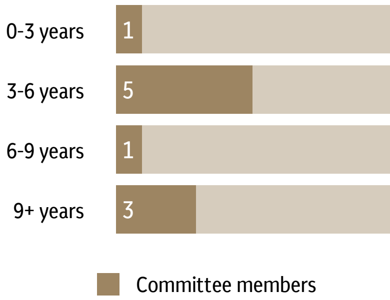
Stuart was appointed Group Treasurer in August 2013, a role he held until July 2021, when he became Managing Director and CEO of Macquarie Bank Limited.

Prior to joining Macquarie, Stuart worked in the UK as a Chartered Accountant in public practice for BDO Binder, where he obtained his professional qualifications, and later in a number of corporate roles as head of finance and corporate strategy.

From 2010 to 2020, Stuart served on the Board of the Juvenile Diabetes Research Foundation where he was Treasurer and Chair of the Finance & Audit Committee.

Gender diversity

Committee tenure



Executive Committee

Continued

Alex H Harvey

Chief Financial Officer
Head of Financial Management, People and Engagement

Chair of the Macquarie Group Foundation

Member of Executive Committee since 1 January 2018

Experience

Alex has been the Chief Financial Officer since 2018. He has also been Head of Financial Management, People and Engagement since January 2025, prior to which he was Head of Financial Management Group.

Alex joined Macquarie in 1998 and was the CEO of Macquarie Group Asia from 2011 to 2014.

Before being appointed CFO, Alex was the Global Head of the Principal Transaction Group in Macquarie Capital and a member of Macquarie Capital's Management Committee.

Alex has more than 30 years' experience in the financial services industry across Australia, Asia, Europe and the US.

In January 2022, Alex became Chair of the Macquarie Group Foundation.

Michael J Silverton

Head of Macquarie Capital

Member of Executive Committee since 1 June 2019

Experience

Michael is Head of Macquarie Capital, a position he has held since 2019. He leads a global team that provides advisory, capital raising, principal investing and equities capabilities to clients, with a focus on infrastructure and real assets; technology, software and services; and resources, energy and materials.

Since joining Macquarie in 1997, Michael has built and led businesses across the globe, with roles in Sydney, London and Chicago before moving to New York in 2010. Prior to Macquarie Capital, Michael held positions in Macquarie's Central Executive Strategy unit and Risk Management Division. In 2013, he became Head of Macquarie Capital in the Americas, adding oversight of Europe and Asia shortly after.

Nicole G Sorbara

Chief Operating Officer
Head of Corporate Operations Group

Member of Executive Committee since 1 January 2013

Experience

Nicole is Head of Corporate Operations Group and has been Chief Operating Officer since 2013.

Nicole leads a global team across 24 countries which brings together specialist capabilities in technology, data, AI, market operations, corporate real estate, business resilience, procurement and global security to support Macquarie's growth.

Since joining Macquarie in 1996, Nicole has worked across various roles in finance, Macquarie Capital and was previously the Head of Human Resources.

Nicole is a Chartered Accountant with more than 30 years' experience in accounting and financial services. Outside Macquarie, she is Chair of the Board of PCYC NSW.

Ben I Way

Head of Macquarie Asset Management

Member of Executive Committee since 1 April 2021

Experience

Ben has been Head of Macquarie Asset Management since 2021.

Ben joined Macquarie in 2006 and has held a number of senior leadership positions across the Group, including CEO of Asia. During this time, he led the establishment of a number of funds, and he has been a member of investment committees as well as a director of portfolio company boards. He has more than 20 years' experience in asset management across Australia, Asia, Europe, and the US. Prior to joining Macquarie, Ben was Chairman and CEO of Taiwan Broadband Communications and a management consultant with Bain & Company.

Ben is a fellow of the 2017 class of the Finance Leaders Fellowship and a member of the Aspen Global Leadership Network. He is also a member of the Board of Directors of Mothers Choice (a Hong Kong charity), co-founder of Good Financial (an ethical micro lender), and Vice-Chairman of Advance Global Australians.

Simon L Wright

Head of Commodities and Global Markets

Member of Executive Committee since 1 April 2024

Experience

Simon was appointed Head of Commodities and Global Markets in February 2024 and is responsible for its global business offering capital and financing, risk management, market access, and physical execution and logistics solutions across Commodities, Financial Markets and Asset Finance.

Prior to his current role, Simon was the Head of the Fixed Income and Currencies division within Commodities and Global Markets, which provides fixed income, currencies and credit market services to corporate and institutional clients globally.

Since joining Macquarie in 1989, Simon has held a number of senior roles within Commodities and Global Markets, while leading the build and oversight of Macquarie's global Financial Markets platform.

Simon holds a Bachelor of Economics from Sydney University.

"Our well-established remuneration framework continues to reward performance across a range of financial and non-financial measures, aligning outcomes for staff with those of our shareholders. The framework is integral in attracting, motivating and retaining exceptional and entrepreneurial people with deep industry expertise."

Letter from the

Chair of the Board Remuneration Committee

On behalf of the Board, as Chair of the Board Remuneration Committee (BRC), I am pleased to present the 2025 Remuneration Report.

During the 2025 financial year (FY2025), Macquarie continued to deliver on its strategy, demonstrating adaptability in a less certain market environment. Macquarie's diversified franchises, strong and conservative balance sheet, risk management framework and unique culture, position us well to deliver long-term sustainable value for shareholders.

Our longstanding and consistent approach to remuneration has been a key driver in Macquarie's ongoing success, which relies on our people to generate ideas, identify new opportunities and be accountable for managing the associated risks. Our well-established remuneration framework continues to reward performance across a range of financial and non-financial measures, aligning outcomes for staff with those of our shareholders. The framework is integral in attracting, motivating and retaining exceptional and entrepreneurial people with deep industry expertise.

Performance and remuneration outcomes for FY2025

The Board remains focused on ensuring there is a robust and thorough process for determining remuneration outcomes. We apply significant oversight and judgement to ensure that our remuneration decisions reflect both individual and company-wide outcomes, encompassing financial and non-financial performance to support Macquarie's ongoing success.

Financial performance

Our FY2025 financial results are underpinned by our unique business mix and differentiated offerings which have enabled us to navigate an uncertain external environment:

- net profit after tax (NPAT) of $A3,715 million in FY2025 (up 5% from FY2024), our 56th year of unbroken profitability
- return on equity (ROE) of 11.2% (up compared with FY2024's 10.8%)
- earnings per share (EPS) of 979.4 cents per share (up 7% compared with FY2024)
- the FY2025 full-year dividend of $A6.50, up 2% compared with FY2024.

Non-financial performance

In addition to financial performance, the Board's determination of remuneration outcomes for FY2025 for the CEO and other Executive Key Management Personnel (KMP) reflects the following non-financial factors which the Board sees as essential drivers of long-term performance and sustainable growth:

- continued strategic evolution of our businesses to anticipate shifting market dynamics and make timely investments to generate medium to long-term growth
- increased collaboration across Operating and Central Service Groups, driven by the CEO, to identify cost savings, new client opportunities and deliver holistic solutions
- ongoing progress to strengthen our risk culture
- significant efforts to optimise our operating platform to improve efficiency, reduce risk and underpin sustainable long-term growth
- a focus on enabling the adoption of AI and leveraging AI to drive productivity benefits and maintain Macquarie's competitive advantage, while managing associated risks
- continued efforts to build robust leadership talent pipelines, including through an enhanced approach to succession planning
- enhancements to our approach to managing non-financial risks, including elevating non-financial risk in the Risk Management Group's organisational structure to provide a more holistic risk assessment, as well as strategic investment in our risk data and technology to provide actionable and timely insights.

Despite making many enhancements to strengthen risk culture and non-financial risk frameworks, some risk and regulatory matters occurred during the year, which the Board has taken into account in determining remuneration outcomes. In particular, the Board considered the conditions imposed by ASIC on Macquarie Bank Limited's (MBL) Australian financial services licence, announced on 7 May 2025 (the MBL Licence Conditions). The Board takes MBL's obligations as a licenced entity seriously and acknowledges there are areas where we can further improve compliance. This has been reflected in the determination of remuneration outcomes through:

- a reduction in profit share for the relevant Executive KMP, including the CEO and MBL CEO
- a reduction in Performance Share Unit (PSU) allocations for all Executive KMP, including the CEO and MBL CEO
- the imposition of an additional qualifying condition on the FY2025 PSU allocations for all Executive KMP to reflect that the Board holds all Executive Committee members accountable for addressing identified shortcomings, in a timely manner. In addition to the existing two performance hurdles and the pre-vest assessment, the MBL Licence Conditions must have been removed by the end of the four-year performance period for any vesting to occur.

In addition to assessing the performance of the CEO and other Executive KMP, the BRC is also very aware of competitive market pressures when determining remuneration outcomes and considers relativities in the global markets in which each business competes for talent, including in industries that are not publicly listed with undisclosed remuneration outcomes.

Remuneration outcomes

The Board and the BRC have given careful consideration to both financial and non-financial factors, and we believe remuneration outcomes for the Executive KMP appropriately reflect both Macquarie's and their individual performance:

- CEO awarded profit share has decreased 5% on the prior year to $A22.50 million
- MBL CEO awarded profit share of $A3.87 million
- total comparable Executive KMP[1] awarded profit share of $A82.31 million (up 3% on the prior year)
- PSU allocations of $A3.0 million for the CEO and $A2.1 million for each of the other Executive KMP, a reduction of 25% on the prior year.

Culture, accountability and remuneration

Our approach to remuneration plays an important role in promoting Macquarie's culture, motivating staff to be innovative and build businesses while also being accountable for their decisions, behaviours and associated risk management, customer, economic and reputational consequences.

Prudent risk management is a fundamental part of everyone's role at Macquarie. Staff understand that they are assessed and rewarded not just for what they achieve (measured against their objectives under financial and non-financial factors) but also how those objectives are achieved, including their approach to managing risk. Macquarie's remuneration approach rewards individuals who have driven positive risk outcomes and applies adverse consequences fairly and appropriately where Macquarie's behavioural expectations have not been met.

In FY2025, there were 142 (FY2024: 131) matters involving conduct or policy breaches that resulted in formal consequences. Consistent with prior years, further details regarding these matters are disclosed on page 118.

The BRC assessed and determined that there were no instances that required the application of Malus or Clawback during the year.

Non-Executive Director (NED) Fees

Effective 1 July 2024, the aggregate Board and MBL Board member base fees were increased from $A275,000 to $A284,000, and the combined Board and MBL Board Chair fee was increased from $A935,000 to $A964,000. Board Committee member fees (other than the MGL Nominating Committee) were increased from $A37,000 to $A39,000. NED remuneration has been reviewed in the context of external market factors, having regard to the breadth and scale of Macquarie's business, increase in regulatory responsibilities and overall time commitment required of NEDs. Board base fees and Board Committee fees were last increased in July 2021. Refer to page 139 for further detail.

I look forward to receiving your views and support at the 2025 Annual General Meeting.

Jillian R Broadbent AC
Chair
Board Remuneration Committee

Sydney
9 May 2025

[1] Comparable Executive KMP are KMP who are members of the Executive Committee for the full year in both FY2025 and FY2024.

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Remuneration Report

Remuneration framework

This section explains the link between our purpose, our remuneration objectives and principles, and how these are reflected in the remuneration framework.

Our purpose statement, 'Empowering people to innovate and invest for a better future,' articulates why Macquarie exists and what we do. It supports our *What We Stand For* principles of Opportunity, Accountability and Integrity, which express how we do business. Our longstanding and consistent approach to remuneration continues to support this purpose and aligns with our *What We Stand For* principles.

Our remuneration framework has been a key driver of our sustained success as an international organisation. Staff are motivated to grow businesses over the medium to long-term, taking accountability for all decisions and their accompanying risk management, customer, economic and reputational outcomes. Their interests are aligned with shareholders to meet the needs of clients and customers, while ensuring that the spirit and intent of regulatory requirements are upheld.

This framework has been fundamental in ensuring we can continue to attract, motivate and retain exceptional and entrepreneurial people with deep industry expertise across the 31 markets in which we operate. These people come from organisations that broadly operate in the same markets and compete for the same people as Macquarie in various industry sectors (including hedge funds, private equity firms, global investment banks, fund managers, advisory boutiques, commodity houses and other banks, as well as industries that are not specific to banking or financial services, for example, technology, accounting, and engineering) across many jurisdictions.

This broad approach has been in place since Macquarie's inception and is reviewed regularly to ensure the framework continues to meet our remuneration objectives and aligns with our remuneration principles and the expectations of our stakeholders.

The table below shows the link between our purpose, *What We Stand For* principles and our remuneration objectives and principles.

Our purpose:

Empowering people to innovate and invest for a better future

Opportunity **Accountability** **Integrity**

Remuneration objectives	Remuneration principles
Macquarie's remuneration framework is designed to: • attract, motivate and retain exceptional people with deep industry expertise • deliver strong company performance over the short and long-term whilst prudently managing risk • promote effective management of financial and non-financial risks, and Macquarie's long-term soundness • align the interests of staff and shareholders to deliver sustained results for our customers, clients and community • promote innovation and the building of sustainable businesses • drive behaviours that reflect Macquarie's culture and the principles of *What We Stand For* and support the prevention and mitigation of conduct risk • foster a diverse and inclusive work environment.	These objectives are achieved by: • emphasising performance-based remuneration • determining an individual's performance-based remuneration based on a range of financial and non-financial factors • having the ability to adjust variable remuneration to reflect risk outcomes, where appropriate • retaining a significant proportion of variable remuneration to enable risk outcomes to be considered over a longer period • delivering retained profit share in equity to ensure the interests of staff and shareholders are aligned over the long-term • remunerating high-performing staff appropriately, relative to global peers • providing consistent arrangements over time to give staff the confidence to pursue multi-year initiatives.

Remuneration framework for FY2025

The remuneration framework operates as an integrated whole. An individual's remuneration comprises fixed remuneration, profit share and, for Executive Committee members (our Executive KMP), Performance Share Units (PSUs).

The table below and diagram opposite summarise the framework for FY2025.

FY2025 remuneration framework

Fixed remuneration

- primarily comprises base salary, as well as superannuation contributions and standard country-specific benefits in line with local market practice
- for Executive KMP, is set at a comparatively low level, relative to the industry, and is a low proportion of total remuneration but sufficient to avoid inappropriate risk-taking
- is reviewed annually and reflects technical and functional expertise, role scope, market practice and regulatory requirements
- for risk and financial control staff, is generally a higher proportion of total remuneration than for revenue-generating staff.

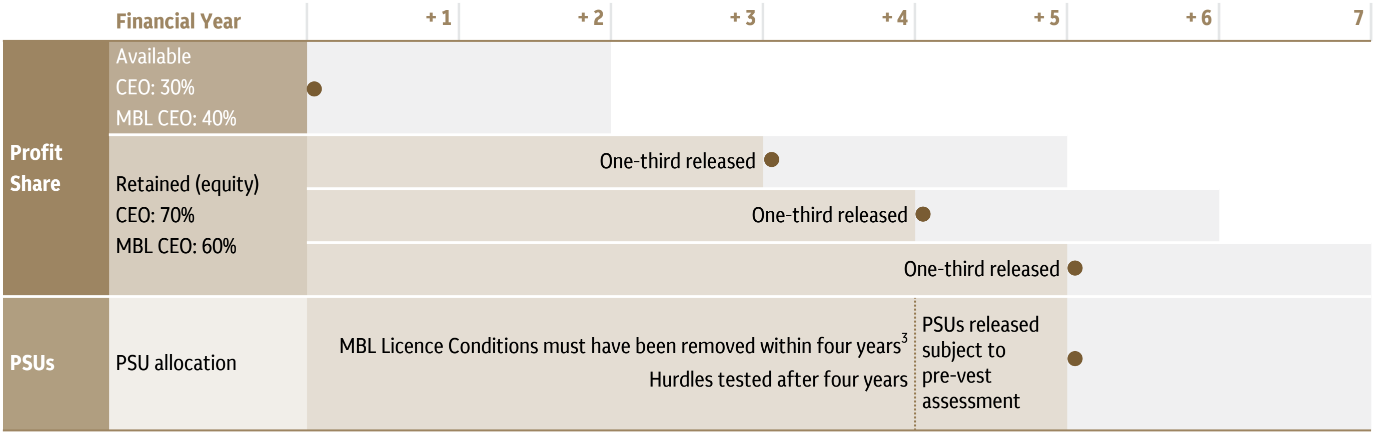
Performance-based remuneration

Criteria	Profit share	Performance Share Units
Eligibility	• all permanent employees	• Executive Committee members
Determination	• allocations reflect an individual's performance, which is assessed against a range of financial and non-financial factors including: – financial/business results – risk management and compliance – business leadership including outcomes for customers/clients and the community – people leadership and professional conduct	• individual allocations reflect their role as members of the Executive Committee and their contribution to driving the collective performance of Macquarie • allocations are based on the face value of shares on the grant date • allocations are subject to Board discretion
Structure	• significant proportion is retained (up to 70% for the CEO and other Executive KMP) • long deferral periods (three to five years for the CEO and other Executive KMP) • retained profit share is invested in a combination of Macquarie equity and Macquarie-managed fund equity	• PSUs are structured as Deferred Share Units (DSUs) with no exercise price[2] • PSUs vest after five years for the CEO and MBL CEO and four years for other Executive KMP, subject to: – the removal of the MBL Licence Conditions – the achievement of two performance hurdles (no retesting of hurdles) – a pre-vest assessment • PSU holders have no right to dividend equivalent payments
Malus and Clawback	• Malus applies to all awards • Clawback applies to all Executive KMP and certain employees identified under APRA Prudential Standard CPS 511 *Remuneration* (CPS 511) or UK and European remuneration regulation	• Malus and Clawback apply to all awards
Forfeiture	• retained profit share is subject to forfeiture upon leaving Macquarie except in certain circumstances	• unvested PSUs are subject to forfeiture upon leaving Macquarie except in certain circumstances

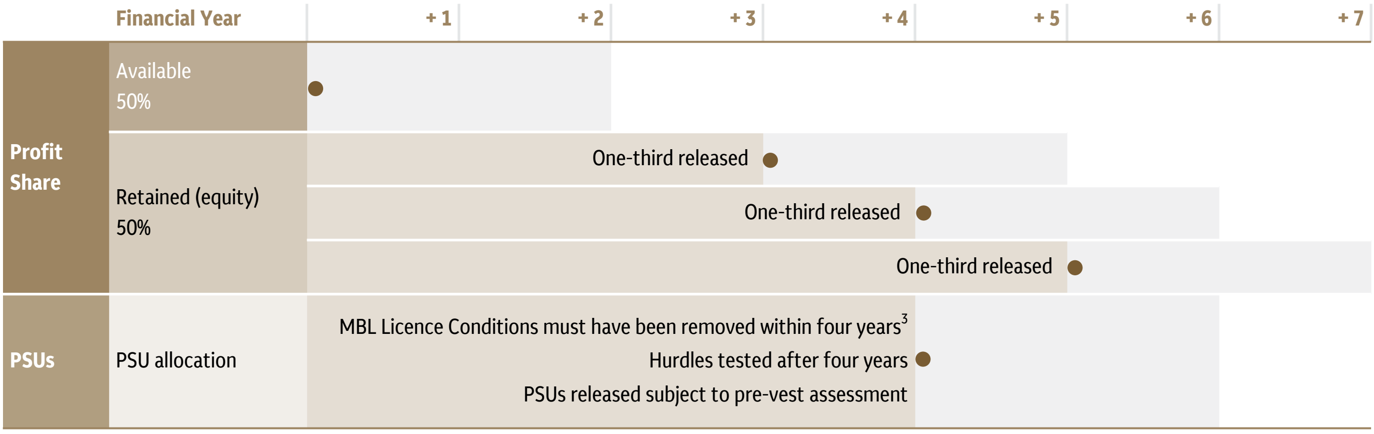
[2] A DSU is an award type under the Macquarie Group Employee Retained Equity Plan (MEREP). For further details, refer to Note 32 *Employee equity participation* to the financial statements in the Financial Report.

The diagram below illustrates the long time horizons over which performance-based remuneration for Executive KMP is determined, delivered and subject to risk adjustments.

For the CEO and MBL CEO



For other Executive KMP[4]



Key

● Payment or vesting (shortly after the end of the relevant year)

Period subject to Malus

Period subject to Clawback

[3] Additional qualifying condition applicable to FY2025 PSU allocations. For vesting to occur, the MBL Licence Conditions must have been removed by 30 June 2029 (see pages 113-114).

[4] Based on standard profit share retention and vesting arrangements for FY2025 for other Executive Committee members (see page 110).

Profit share

This section describes the way in which profit share is determined, structured and delivered.

Annual process to determine profit share outcomes

Profit share allocations are determined through a principles-based approach, which considers individual, business group and company-wide performance. At all levels, profit share determinations take into account risk management, compliance and conduct.

Individual profit share allocations

Individual profit share allocations reflect an employee's performance against their objectives, which are formally assessed annually. At the beginning of the performance cycle, employees set performance objectives based on four factors (three non-financial and one financial), as relevant to their role. At the end of the year, permanent employees are required to have a formal Year in Review conversation with their manager. The Year in Review comprises two core components:

- **What** was achieved over the past 12 months, measured against their objectives under the four factors
- **How** the objectives were achieved, measured against Macquarie's cultural/behavioural standards.

The below table outlines the areas considered under each factor when assessing performance and determining remuneration outcomes.

	Areas considered
Financial / business results	• for revenue-generating staff, based on individual contribution to business profitability (including consideration of capital and risk-adjusted returns) • for risk and financial control staff, primarily based on delivery of or contribution to high quality risk and control functions, services and outcomes • for other Central Service Group staff, based on delivery of or contribution to high quality services to support the businesses • for all staff, the management of costs and investment in people and technology to ensure ongoing robustness of the risk management framework.
Risk management and compliance	• demonstrating a strong understanding of the importance of compliance with relevant regulatory obligations • the identification, escalation, ownership and successful management of financial and non-financial risks • motivating a culture of disciplined risk management, and regulatory, policy and business compliance.
Business leadership	• focuses on sustainable business growth and innovation by prioritising long-term and scalable solutions over tactical fixes • delivering appropriate solutions for our customers and the communities in which we operate • maintaining and leveraging relationships with external and internal stakeholders (including regulators, customers, clients, communities and suppliers) • seeking out and valuing collaboration and diverse perspectives (internally and externally), including collaborating with others to solve issues and challenges across Operating and Central Service Groups.
People leadership and professional conduct	• upholding Macquarie's *What We Stand For* values and complying with all operational requirements, regulatory obligations, relevant laws, policies and procedures, including the *Code of Conduct* • promoting institutional knowledge-sharing, talent development and succession planning • fostering an environment where staff feel comfortable to admit mistakes and raise issues or concerns • fostering a diverse and inclusive work environment, including adherence to the *Workforce Diversity Policy* • for all people managers, performance against a people management objective aligned to our purpose and culture.

Three of these four factors are non-financial, with considerations given to each in varying proportions to reflect an individual's role and responsibilities. Individual profit share allocations also consider relativities in the markets in which each business competes for talent.

When determining individual profit share allocations, consideration is given to any matters raised in the independent reports provided to the BRC by the Chief Risk Officer (CRO) and the Head of Internal Audit, or matters raised through the consequence management process, which may result in downward adjustments to profit share allocations for relevant individuals (see page 118). Significant judgement is applied in determining remuneration outcomes to ensure all factors that may potentially impact the quantum of profit share allocations are considered.

Profit share pools

The initial business group profit share pools are determined through a combination of a top-down and bottom-up approach. The company-wide profit share pool is an aggregate of the assessments conducted at both the business group and individual level.

The profit share pools reflect consideration of the factors below:

Operating/Central Service Group Level			
Financial performance	**Risk management**	**Business-specific considerations**	**Market position and trends**
For Operating Groups: • contribution to company-wide profits • return on regulatory capital • funding requirements and usage. For Central Service Groups, based on the quality and integrity of control functions and support services and not primarily determined with reference to profitability.	• risk profile of the business (e.g. capital usage) • extent and nature of financial and non-financial risks including any significant reputational, cultural or compliance matters • regulatory environment and regulatory risk considerations.	• innovation, new business development (including acquisitions) and maturity of the business • reliance on intellectual versus financial capital • customer, client and community outcomes • impact of one-time gains/losses.	• overall remuneration levels in the market in which each business operates • staff retention considerations.

Macquarie Group/Macquarie Bank level

Additional considerations at a Macquarie Group and Macquarie Bank level include:

- profitability, including the balance of profit distribution between employees and shareholders
- capital metrics (including prudential ratios) and liquidity considerations
- impact of the profit share pool on Macquarie's capital position and the ability to strengthen its capital base, as confirmed by the Chief Financial Officer (CFO)
- reasonableness of the resultant estimated compensation expense to income ratio and how it compares to that of external comparators
- regulatory considerations, including any company-wide risk and conduct matters
- factors that impact the macro environment in which Macquarie operates, including those that may affect its ability to attract and retain high-performing staff
- CRO and Head of Internal Audit confirmation that all relevant risk and internal audit matters have been considered.

The Board retains discretion to amend the profit share pool as determined in accordance with the above process to ensure all relevant factors, including risk and conduct matters, have been appropriately taken into consideration.

Retained profit share: retention and vesting

A percentage of each individual's annual profit share allocation is retained (retained profit share) above certain thresholds. While they are employed, an individual's retained profit share vests and is released over a period that reflects the scope and nature of their role and responsibilities.[5] These arrangements ensure that Macquarie continues to retain high-performing staff, provide significant long-term alignment to shareholders and customers, as well as enable risk outcomes to be considered over a longer period.

Retention and vesting arrangements are determined by the BRC according to prevailing market conditions, remuneration trends, and regulatory requirements (including CPS 511, the Banking Executive Accountability Regime (BEAR) and the Financial Accountability Regime (FAR)). For each year's allocation, once the vesting period has been determined it remains fixed for that allocation.

The table below summarises the standard retention and vesting arrangements applicable for FY2025. These vesting periods do not include the performance year but begin following the date remuneration is awarded.

Standard profit share retention and vesting arrangements for FY2025

Role	Profit share retention (%)	Vesting and release of profit share
CEO	70	One-third in each of years 3–5
MBL CEO	60	
Other Executive Committee members	50	
Other Executive Directors[6,7]	40	
Staff other than Executive Directors[7,8]	25–40	One-third in each of years 2–4

The Board's discretion to change remuneration arrangements, as noted above, includes changes to profit share retention levels provided that at least 30% of profit share is retained for all Executive Directors. For FY2025, the Board exercised such discretion to increase the Head of Macquarie Asset Management's retention rate to 70% and the Head of Macquarie Capital's retention rate to 60%.

5 Profit share that is not retained (available profit share) is delivered in cash except for certain staff subject to requirements under UK or European remuneration regulations, where 50% of available profit share is delivered in Macquarie equity and is subject to either a 6-month or 12-month hold period, as applicable.
6 Other Executive Directors include staff other than the CEO and Executive KMP who are specified under CPS 511 as Senior Managers or Material Risk Takers.
7 For certain staff subject to UK or European remuneration regulations, up to 60% may be retained. Retained profit share invested in Macquarie equity may be subject to a further 6-month or 12-month hold post the vesting period.
8 Above certain monetary thresholds.

Investment of retained profit share

An individual's retained profit share is invested in a combination of MGL ordinary shares under the Macquarie Group Employee Retained Equity Plan (MEREP) and Macquarie-managed fund equity notionally invested under the Directors' Profit Share (DPS) Plan.[9] The allocation reflects the nature of their role and responsibilities as set out in the table below.

Standard investment of retained profit share for FY2025

	Retained profit share investment	
Role	**MEREP (MGL ordinary shares) %**	**DPS Plan (Macquarie-managed fund equity) %**
CEO and MBL CEO	90	10
Other Executive Committee members	80–90	10–20
Other Executive Committee members with funds responsibilities	50	50
Other Executive Directors[10]	80–100	0–20
Other Executive Directors with funds responsibilities[11]	25	75
Staff other than Executive Directors[12]	100	0

In addition to the arrangements set out in the tables above, different arrangements may apply in certain circumstances:

- retention rates and vesting and release schedules may vary for certain groups of staff who have become employees as a result of an acquisition, or for staff in certain jurisdictions, for example in the UK or European Union (EU), to ensure compliance with local regulatory requirements
- in limited circumstances, and only with the approval of the BRC, retained profit share may be allocated under arrangements other than the MEREP or the DPS Plan. For example, this may include investment in funds or products of a specific business group where there is a need to directly align the interests of staff with those of their clients.

Forfeiture – Malus and Clawback

For all staff, the Board has the ability to reduce or eliminate unvested retained profit share in certain circumstances (Malus). For certain staff identified under CPS 511 or UK and European remuneration regulations, the Board also has the ability to recover (in whole or in part) vested profit share in certain circumstances (Clawback). For more details on Macquarie's Malus and Clawback provisions, see page 117.

Vesting and release of retained profit share upon departure from Macquarie

The standard policy is that staff who cease employment with Macquarie will forfeit their unvested retained profit share. The Board may exercise discretion for the vesting and release of a departing employee's retained profit share after their employment has ended including, for example, in the case of retirement from Macquarie, redundancy, death, serious incapacitation, disability, or serious ill health. Where such discretion is exercised, the release of any profit share may be subject to Malus and/or Clawback, as applicable, and the Board may impose such other conditions as it considers appropriate. For Executive Directors, the Board's discretion for the vesting and release of retained profit share under these circumstances is subject to the conditions of release as set out below.

Discretion may be exercised in certain other limited exceptional circumstances on the grounds of business efficacy, in relation to strategic business objectives, including in connection with the divestment or internalisation of Macquarie businesses, or when an employee resigns to fulfil a public service role in a governmental organisation or agency. This year, such discretion has been exercised and retained profit share was approved to be released for two executives due to their transition during FY2025 to employment with an operationally segregated subsidiary, or in respect of the sale of a business.

9 Both the MEREP and DPS Plan are fundamental tools in Macquarie's retention, alignment and risk management strategies, encompassing both long-term retention arrangements and equity holding requirements. The MEREP has a flexible plan structure that offers different types of equity grants depending on the jurisdiction in which the participating employees are based. In most cases, the equity grants are in the form of units comprising a beneficial interest in MGL ordinary shares held in a trust for the staff member (Restricted Share Units or RSUs). For further details on the MEREP, refer to Note 32 *Employee equity participation* to the financial statements in the Financial Report. The DPS Plan comprises exposure to a notional portfolio of Macquarie-managed funds. Retained amounts 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.

10 For certain Executive Directors subject to UK or European remuneration regulations, retained profit share is invested 60% in Macquarie equity and 40% in the DPS Plan.

11 For certain Executive Directors with funds responsibilities subject to UK or European remuneration regulations, retained profit share is invested 50% in Macquarie equity and 50% in the DPS Plan.

12 For staff other than Executive Directors, retained profit share is generally 100% invested in Macquarie equity with the exception of those staff with funds responsibilities where retained profit share is invested in a combination of Macquarie equity and Macquarie-managed fund equity.

Conditions of release to departing Executive Directors – Post Employment Events

Where discretion has been exercised for the vesting and release of retained profit share to a departing Executive Director, the Board may reduce or eliminate their retained profit share if it is determined that, at any time during their employment or the relevant release periods after their employment, a Malus Event has occurred (as set out on page 117) or they have:

(a) taken staff to a competitor of Macquarie or been instrumental in causing staff to go to a competitor, or

(b) joined a competitor of Macquarie or otherwise participated in a business that competes with Macquarie.

Each of the above is a Post Employment Event.

For retained profit share awarded in respect of FY2023 and subsequent years, where the release relates to relevant circumstances other than death or serious disability, the release will occur over the period from 12 months to 24 months after the Executive Director leaves, in accordance with the table below.[13,14]

From FY2024, for profit share allocations made to Executive KMP and other Executive Directors in specified roles defined under CPS 511 (including those in risk and financial control functions), the release of unvested retained profit share will be kept in line with its original vesting schedule (where it relates to relevant circumstances other than death or serious disability). This may result in final vesting being up to five years from the end of employment. There is no change in the timeframe for application of the Post Employment Events set out below.

	First Period	Second Period
Time post-departure	12 months	12 months to 24 months
Unvested retained profit share released	From all but the last 24 months of employment	From the last 24 months of employment
Subject to Malus	No Malus Event during employment or the First Period	No Malus Event during employment, the First Period or the Second Period
Subject to Post Employment Events	No Post Employment Event during employment or during the period expiring 6 months following the end of employment, and	No Post Employment Event during employment or during the period expiring 6 months following the end of employment, and
	No Post Employment Event (a) during the period from 6 months to 12 months following the end of employment	No Post Employment Event (a) during the period from 6 months to 12 months following the end of employment
Where the release is by reason of retirement from Macquarie	As above and in addition, the release is subject to no Post Employment Event (b) during the First Period	As above and in addition, the release is subject to no Post Employment Event (b) during the First or Second Period

In addition to the above, for Accountable Persons under the FAR (Accountable Persons) who are also subject to the transition requirements of the BEAR regarding remuneration, the exercise of discretion for any release of retained profit share following the end of employment will be subject to minimum deferral periods.

Where an Executive Director has a tax liability on termination of employment in respect of any unvested retained profit share, the Board has discretion to release unvested retained profit share up to an amount equal to the Executive Director's tax liability at an earlier time than noted above subject to any legal or regulatory requirements.

13 In the case of death or serious incapacitation, the Board will typically accelerate the vesting of retained profit share and immediately release it.
14 Awards made in respect of FY2022 and earlier years will remain subject to their original conditions of release to a departing Executive Director, as previously disclosed.

Performance Share Units

This section describes the way in which PSUs are determined, structured and delivered.

Allocation and structure

Executive Committee members are the only staff eligible to receive PSUs, which are determined with reference to Macquarie's performance as a whole. As such, they provide an additional incentive to Executive Committee members to drive company-wide performance over the long-term and beyond their Operating and Central Service Group responsibilities. PSU awards are a meaningful incentive but are generally not the major element of an Executive Committee member's total remuneration.

The table below summarises the approach to PSU allocations in respect of FY2025.

1. Pre-grant period *(Financial Year (FY))*

- Individual PSU allocations are based on performance over the financial year prior to grant (taking into consideration both financial and non-financial factors). Considerations include their role as members of the Executive Committee and their contribution to driving the collective performance of Macquarie, including their collaboration across businesses, progress on company-wide programs and maintaining Macquarie's risk culture.
- The face value of PSUs awarded to each Executive Committee member is approved by the Board as part of the annual remuneration review process. Shareholder approval is also sought at MGL's Annual General Meeting (AGM) to allocate PSU awards to the CEO, who is an Executive Voting Director.
- PSUs are granted in August each year, after MGL's AGM, in respect of the previous financial year. The number of PSUs allocated is calculated by dividing the face value of the award by the price of MGL ordinary shares on or around the date of grant.
- PSUs are structured as DSUs with no exercise price. Holders have no right to dividend equivalent payments.

2. Performance period *(FY+1 to FY+4)*

- In addition to the performance hurdles set out below, the FY2025 PSU allocations will be subject to an additional qualifying condition related to the removal of the MBL Licence Conditions. Further detail is set out on the following page.
- PSUs will only become exercisable to the extent that two equally weighted ROE and EPS performance hurdles are achieved over a four-year performance period. Details of, and the rationale for, the ROE and EPS hurdles are set out below.
- The ROE and EPS performance hurdles attached to PSUs are tested at the end of the performance period and the results are reported to the BRC.

3. Additional vesting period *(FY+5)*

- For the CEO and the MBL CEO, an additional one-year period applies before PSUs may vest following the end of the four-year performance period.
- For other Executive KMP, PSUs may vest on 1 July following the end of the four-year performance period.

4. Pre-vest assessment *(At end of vesting period)*

- Prior to vesting of PSU awards, the Board will conduct a holistic assessment of the Executive Committee's collective contribution to driving the performance of Macquarie over the vesting period, based on the extent to which the Executive Committee has:
  - promoted behaviour that is consistent with and reflects Macquarie's risk culture, *Code of Conduct* and the principles of *What We Stand For*
  - overseen the effectiveness of Macquarie's risk management framework, regulatory compliance, policies and practices in managing key financial and non-financial risks
  - overseen funding, liquidity and capital management to ensure Macquarie's financial soundness.
- Where the Board forms a negative overall assessment of the relevant Executive Committee's collective performance, it will consider whether an adjustment is appropriate, taking into account any mitigating and aggravating factors.
- To assist the Board with their determination of an adjustment to the PSU vesting outcome, and to ensure that the determination encompasses all relevant considerations, the BRC will receive regular reporting over the vesting period.

Additional qualifying condition

As set out in the Letter from the Chair of the BRC, the vesting of the FY2025 PSU allocations for all Executive KMP is subject to the removal of the MBL Licence Conditions, which must have been removed by the end of the four-year performance period, 30 June 2029, for any vesting to occur.

Should the MBL Licence Conditions have been removed by 30 June 2029, then the vesting of the FY2025 PSU allocations will be subject to the achievement of the two performance hurdles, as set out below, and the pre-vest assessment.

Performance hurdles

If the additional qualifying condition has been met, the FY2025 PSU allocations will only become exercisable to the extent that the following performance hurdles are achieved:

	EPS CAGR hurdle	ROE hurdle
Application	50% of PSU award	50% of PSU award
Performance measure	Compound annual growth rate (CAGR) in EPS over the four-year performance period	Relative average annual ROE over the four-year performance period compared to a reference group of international financial institutions. The reference group comprises Bank of America Corporation, Barclays PLC, Citigroup Inc., Deutsche Bank AG, Goldman Sachs Group Inc., JP Morgan Chase & Co., Lazard Ltd, Morgan Stanley and UBS AG.[15,16]
Hurdle	Sliding scale applies: • 50% becoming exercisable at EPS CAGR of 7.5% • 100% at EPS CAGR of 12%. For example, if EPS CAGR was 9.75%, 75% of the relevant awards would become exercisable	Sliding scale applies: • 50% becoming exercisable above the 50th percentile • 100% at the 75th percentile. For example, if ROE achievement was at the 60th percentile, 70% of the relevant awards would become exercisable

Rationale for hurdles

The PSU hurdles are periodically reviewed by the BRC to ensure they continue to align the interests of staff and shareholders and provide a challenging but meaningful incentive to Executive Committee members. The BRC's review includes consideration of the most relevant performance metrics to be used as hurdles as well as the levels at which the hurdles are achieved. The international reference group used for the ROE hurdle is also reviewed to determine whether our comparators remain suitable for Macquarie's diversified business interests and global footprint. The BRC also considers historical and forecast market data, the views of corporate governance groups, shareholders and regulators, as well as market practice.

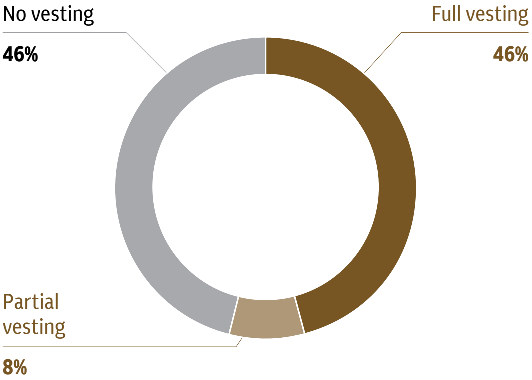
The BRC considers both the absolute EPS and relative ROE hurdles to be appropriate for the following reasons:

- EPS and ROE growth drive long-term shareholder value and are appropriate as the Executive Committee can affect outcomes on both measures. In contrast, Total Shareholder Return (TSR) is influenced by many external factors over which executives have limited control
- EPS and ROE can be substantiated using information that is disclosed in Macquarie's annual reports
- a sliding scale diversifies the risk of not achieving the hurdles and provides rewards proportionate to performance for shareholders and is preferable to an all-or-nothing test, which some have argued could promote excessive risk-taking
- the hurdles are designed to reward sustained strong performance and are relatively well-insulated from short-term fluctuations
- the EPS targets are confirmed as rigorous when market performance is considered, with the EPS threshold hurdle exceeding the performance of most of the ASX20, the international reference group and relevant indices over time
- for the EPS element to fully vest, Macquarie needs to achieve at least 12% CAGR over the vesting period. Supporting the rigour of the hurdle, cumulative EPS growth of 57% over four years is required to achieve full vesting
- the ROE vesting thresholds and sliding scale are in line with the domestic market and are particularly challenging when compared to international practice.

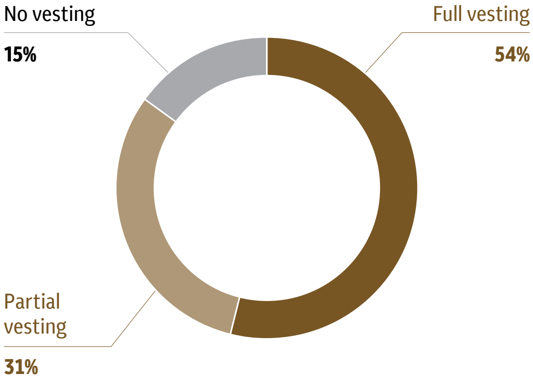
15 Company comparator information is presented in the same order throughout the Remuneration Report.
16 For unvested PSU awards made prior to FY2023, the reference group included Bank of America Corporation, Barclays PLC, Credit Suisse, Deutsche Bank AG, Goldman Sachs Inc., JP Morgan Chase & Co., Lazard Ltd, Morgan Stanley and UBS AG.

The charts below display Macquarie's historical EPS and ROE PSU outcomes, highlighting that since their introduction in 2009, 46% of the EPS tranches and 54% of the ROE tranches have resulted in full vesting.

Historical EPS tranche outcomes



Historical ROE tranche outcomes



Use of an international reference group

The BRC has given careful consideration to the appropriate reference group to use for the relative ROE measure, recognising that Macquarie's combination of business activities, size and global footprint means that there are few direct comparators. The BRC's view is that simplistic comparator groups based on a company's country of listing, broad industry categorisation and/or market capitalisation do not accurately reflect the businesses and competitive markets for talent in which we operate.

When assessing and determining the appropriate reference group, the BRC considers the overall size of the reference group, the degree of internationalisation (including the degree to which they compete for shareholder capital, clients and talent in each market), each comparator's overlap with Macquarie's revenue mix and the resulting business mix when considered in aggregate. Taking into account these factors, the BRC has selected an international reference group that recognises the extent of Macquarie's diversification and internationalisation.

The BRC is mindful that some of Macquarie's businesses compete with other types of financial institutions, including asset managers, retail banks, hedge funds and commodity trading houses. However, given differences in business mix, regulatory environment, or the unavailability of public financial information, it does not consider these institutions appropriate for inclusion in the PSU reference group.

The BRC considers the international reference group to be appropriate on the basis that:

- total international income represented approximately 66% of Macquarie's total income as at 31 March 2025, with approximately 51% of Macquarie's staff located outside Australia[17]
- the international reference group is currently most representative of Macquarie's business operations and talent pool. These firms broadly operate in the same markets and in similar business segments and compete for the same people as Macquarie
- the international reference group members share broadly comparable risk, compliance and regulatory profiles
- Macquarie has no directly comparable Australian-listed peers.

While the BRC considers it important not to intervene reactively to remove under-performers or over-performers in order to provide relative stability and transparency across market cycles, it reviews and adapts the reference group as companies, markets and other situations evolve.

Risk adjustment, Malus and Clawback

The Board may determine that a downward adjustment to PSU allocations prior to grant may be appropriate, including a collective adjustment where there has been an adverse outcome for MGL, MBL or their stakeholders. Risk considerations also form part of the pre-vest assessment, as set out above.

In addition, Macquarie's Malus and Clawback provisions, as set out on page 117, apply to all PSUs granted.

Departure from Macquarie or change in control

The standard policy is that unvested PSUs will be forfeited upon termination of employment. In the case of retirement from Macquarie, redundancy, death, serious incapacitation, disability, serious ill-health or other limited exceptional circumstances, the Board or the BRC has the ability to accelerate the vesting of PSUs (to the extent permitted by law or regulation, for example in the case of death or serious incapacitation) or to take other action, for example to permit the PSUs to continue to vest in accordance with the original award schedule and remain subject to the same performance hurdles.

Should a change of control occur, the Board or the BRC has discretion to determine how unvested PSUs should be treated, having regard to factors such as the length of time elapsed in the performance and vesting periods, the level of performance to date, the circumstances of the change in control and any relevant legal or regulatory requirements.

[17] Headcount includes staff employed in certain operationally segregated subsidiaries (OSS).

Culture, accountability and remuneration

This section describes how risk and conduct are considered throughout Macquarie's remuneration approach.

Our culture including risk culture

Our purpose of 'Empowering people to innovate and invest for a better future' and *What We Stand For* principles of Opportunity, Accountability and Integrity remain pivotal to our culture. Our purpose and principles effectively guide our staff in balancing risk and reward and making decisions that realise opportunity for the benefit of our clients, shareholders, partners, and the communities in which we operate. Staff are continually made aware that these principles must form the basis of all behaviours and actions. These behavioural expectations are outlined in the Board approved *Code of Conduct,* which is actively promoted by management and cascaded through the organisation through multiple mechanisms. We invest significant time and effort in communicating and reinforcing our culture through communications from senior management, policy reminders, training, and learning and development activities. Risk culture is further reinforced by embedding the behavioural expectation into day-to-day practices. This is enabled through structural mechanisms, including performance-based remuneration and consequence management. The Board is able to assess Macquarie's culture in a number of ways including through staff survey results, human capital reporting, strategy presentations, risk culture reports, consequence management reports as well as through personal observation of management, and staff behaviour and actions.

Alignment of remuneration with risk outcomes

The Board considers that the effective alignment of remuneration with prudent risk-taking is fundamental to Macquarie's remuneration approach. Risk considerations are embedded throughout the remuneration process including through the determination of individual profit share allocations, business group and company-wide profit share pools as well as through the way in which remuneration is structured and delivered.

Prudent risk management is a fundamental part of everyone's role at Macquarie. Staff understand they are assessed and rewarded through profit share not just for **what** they achieve (measured against their objectives under the four factors), but also for **how** those objectives are achieved (measured against Macquarie's cultural/behavioural standards). This assessment includes evaluating an individual's approach to managing risk and recognises behaviours that drive positive risk outcomes and their contribution to Macquarie's risk culture. In addition, formal award programs are in place to recognise individuals or teams across Macquarie who have role modelled excellent risk management behaviours. Profit share allocations also recognise conduct outcomes that are below Macquarie's expectations and staff are aware of the consequences for non-compliance with the risk management framework and Macquarie's *Code of Conduct*, including, where appropriate, adjustments to performance-based remuneration.

The Board is aware of the increasing focus of regulators and shareholders on ensuring risk-related matters that come to light subsequent to remuneration being awarded are appropriately factored into remuneration decisions. Macquarie's retention and vesting arrangements provide a mechanism for the Board to consider risk outcomes over a longer period. Furthermore, where an investigation has commenced into a risk or conduct-related matter that may result in forfeiture, Malus or Clawback (where applicable – see pages 117-118), Macquarie may further defer the payment, vesting and/or release of profit share to allow for the investigation to be completed.

Culture, accountability and remuneration continued

The following mechanisms exist to adjust FY2025 remuneration outcomes for risk and conduct outcomes:

In-year adjustments — **Applies to all staff**

- for profit share, determined as part of assessing an individual's performance each year, which includes consideration of compliance with the risk management framework and with the behavioural expectations outlined in the *Code of Conduct*
- for PSUs, determined as part of the assessment of Executive Committee members' contribution to driving the collective performance of Macquarie
- in addition, any outcomes from the consequence management process (such as a formal warning) or the independent reporting from the CRO and Head of Internal Audit are also considered for both profit share and PSUs.

Forfeiture — **Applies to all staff**

- where an individual's employment is terminated due to a compliance or conduct concern (or they resign), unvested remuneration is forfeited, as per our standard policy.

Malus — **Applies to all staff**

Malus provisions provide the Board with the ability to reduce or eliminate in full unvested remuneration (including retained profit share, and for Executive Committee members, unvested PSUs), where it is determined:

- there was a significant error in or a significant misstatement of criteria on which the remuneration determination was based, or
- the employee has at any time:
  - engaged in misconduct leading to significant adverse outcomes
  - acted dishonestly (including, but not limited to, misappropriating funds or deliberately concealing a transaction)
  - significantly failed in or breached their compliance, accountability or fitness and propriety requirements, or
  - acted or failed to act in a way that contributed to, and/or by virtue of their role or seniority is accountable for:
    - a breach of a significant legal or significant regulatory requirement relevant to Macquarie
    - MGL or MBL making a material financial restatement
    - MGL, MBL or any Group within Macquarie incurring significant reputational harm[18]
    - MGL, MBL or any Group within Macquarie incurring a significant unexpected financial loss, impairment charge, cost or provision
    - a significant failure of financial or non-financial risk management, or
    - a significant adverse outcome for customers, beneficiaries or other stakeholders.

Clawback — **Applies to certain senior employees (including Executive KMP)**

Clawback provisions provide the Board with the ability to recover in exceptional circumstances (in part or whole) variable remuneration that has already been paid or vested for up to two years from the point of payment or vesting, if it is determined that:

- there was a significant error in or a significant misstatement of criteria on which the remuneration determination was based
- the employee has at any time engaged in misconduct leading to significant adverse outcomes
- the employee has at any time significantly failed in or breached their compliance, accountability or fitness and propriety requirements, or
- the employee has at any time acted or failed to act in a way that contributed to:
  - a significant failure of financial or non-financial risk management, or
  - a significant adverse outcome for customers, beneficiaries or other stakeholders.

Additional provisions may apply to staff in certain jurisdictions to ensure compliance with local regulations. This includes UK and European staff who are subject to additional Malus and Clawback provisions under local regulatory requirements.

The BRC considers whether, and the extent to which, to apply Malus or Clawback, taking into account local employment laws, the nature and circumstances of the event and any other redress that has been or may be applied.

[18] A "Group within Macquarie" is a reference to any Operating Group or Central Service Group within MGL or MBL.

Risk adjustment processes

There are robust processes in place to ensure that all risk, reputation, and conduct-related matters are specifically considered when determining remuneration outcomes. These processes may result in a downward adjustment to group and/or individual profit share allocations where appropriate. A wide range of risks that could have a financial or non-financial impact on Macquarie are considered, including any detriment to customers or impact on prudential standing.

To assist the Board and BRC when determining remuneration outcomes, independent control functions provide input as follows:

Independent control function input when determining remuneration outcomes

Risk Management Group	Internal Audit	Legal
The CRO provides the BRC with an independent report detailing significant risk matters (financial and non-financial) including those relating to incidents, issues, and regulatory and litigation matters.	The Head of Internal Audit provides the BRC with an independent report detailing notable internal audit issues and any trends at company-wide or business group level.	The GGC provides a further source of independent input and, in conjunction with People & Culture (P&C), considers whether there are any incidents (including any breach of the FAR obligations) that should be brought to the attention of the BRC, which might require the application of Malus and/or Clawback.

People & Culture

The Chief People Officer (CPO) discusses the reports from the Risk Management Group (RMG) and Internal Audit with the Group Heads to ensure any matters listed in the reports are appropriately reflected in remuneration outcomes for relevant staff and provides reporting to the BRC as well as the joint committee meeting of the BRC, Board Risk Committee (BRiC), Board Audit Committee (BAC) and Board Governance and Compliance Committee (BGCC) on how this has been achieved.

The CPO also annually reports to the BRC on the outcomes from the consequence management process and confirms that these matters have been considered in determining remuneration and promotion outcomes where appropriate.

Consequence management process

Incidents, breaches of policy and misconduct issues are regularly reported to senior management. There are a number of processes in place to ensure consistency (across business groups and staff levels) in the application of consequences and the determination of remuneration outcomes, including the review and challenge by senior management of consequence management outcomes at year end.

Where an investigation has commenced into a risk or conduct-related matter, vesting, payment and/or release of profit share (including available and/or retained amounts) to an employee may be deferred for such a period that Macquarie considers reasonable to allow for the investigation to be completed.

Consequence management outcomes

Macquarie's Consequence Management Guideline applies wherever a breach of internal policy or regulatory requirement is identified, including where there has been a breach of FAR accountability obligations. Consequences may include further training, removal of delegated authorities or permissions, adjustments to performance-based remuneration, impact on promotion, formal warnings or termination.

Where an employee has received a formal warning, their performance-based remuneration will likely be impacted and in some cases, reduced to zero. Promotion decisions may also be impacted. Impacts may also be applied where a formal warning has not been issued. In each case, judgement is exercised as to the appropriate consequence(s) based on all the relevant circumstances.

In FY2025, there were 142 (FY2024: 131) matters involving conduct or policy breaches that resulted in formal consequences. These included 91 (FY2024: 84) *Code of Conduct* or appropriate workplace behaviour related matters and 51 (FY2024: 47) other policy matters including risk management and technology breaches. Of the 142:

- for 53 matters, termination of employment was the outcome (FY2024: 48)
- for 89 matters, a formal warning was issued (FY2024: 83). Additional consequences were applied as appropriate including additional training, adjustments to profit share and/or proposed fixed remuneration increases, and/or impact to promotion (22 individuals who received a formal warning subsequently left Macquarie before year-end outcomes were applied and 62 individuals had their profit share reduced by an average of 42%).

The 142 matters were considered isolated incidents and there was no evidence of broader systemic conduct issues.

Further details on the remuneration framework

This section describes other key features of the remuneration framework and of the employment contracts for Executive Committee members.

Other features of Macquarie's remuneration framework

Role-based allowances	• Role-based allowances are a component of fixed remuneration that may be awarded to certain employees, including those identified as Material Risk Takers under UK or European regulatory requirements. These allowances are determined based on the role and organisational responsibility of the individuals.
Minimum shareholding requirement	• Executive Directors are required to hold a relevant interest in MGL ordinary shares that have a value equal to 5% of an Executive Director's aggregate profit share allocations for each of the past five years (10 years for Executive Committee members), which can be satisfied by the profit share retention requirements • For Executive Committee members with a minimum of 10 years of service at the Executive Director level, compliance with this policy equates to a minimum shareholding requirement of between 75% to 665% of fixed remuneration based on share values unadjusted for market price changes.
Promotion and New Hire Awards	• Staff who are promoted to or hired at Associate Director, Division Director or Executive Director level receive an allocation of MEREP awards set with reference to an Australian dollar value. Currently these awards range from the equivalent of $A25,000 to $A175,000 depending on the Director level.
Performance fees (carried interest)	• Under Macquarie Asset Management's carried interest arrangements, certain individuals with funds responsibilities may receive a portion of their deferred performance-based remuneration as a share of performance fees paid by Macquarie-managed funds • The company-wide profit share pool is adjusted downwards to reflect these deferred remuneration arrangements, which are also taken into account in determining the individual's profit share allocation • Consistent with market practice, these individuals are allocated an entitlement to a share of performance fees paid by a particular fund. This allocation is based on performance (including material consideration of non-financial factors), seniority and the extent of the individual's involvement with and expected contribution to the particular fund • An individual will not receive their entitlement until Macquarie has received performance fees towards the end of the fund's life, which is typically upwards of 10 years. For arrangements implemented prior to September 2022, the entitlement will be forfeited if their employment ceases before five years from the date of allocation. For arrangements implemented from September 2022, vesting generally starts from 3 years from fund final close. Entitlements are subject to similar forfeiture conditions as profit share • Prior to joining the Executive Committee, Mr Way (who joined the Executive Committee on 1 April 2021) participated in these arrangements for certain funds in his former role. Upon joining the Executive Committee, he maintained his participation in these existing funds, but he has not been allocated any additional entitlements. Refer to pages 128 and 142 for further detail relating to FY2025. No other Executive Committee members currently participate in these arrangements.
Hedging	• Macquarie prohibits staff from hedging shares held to meet the minimum shareholding requirement and unvested equity held in the MEREP.

Employment contracts

The following table summarises key features of the employment contracts for Executive KMP including the CEO.

Length of contract	Permanent open-ended.
Remuneration review period	1 April to 31 March annually.
Profit share participation	Executive KMP are eligible to be considered for a profit share allocation that ensures a large part of their remuneration is 'at risk'. Refer to pages 108-112 for details.
PSU participation	As Executive Committee members, Executive KMP are eligible to receive PSUs. Refer to pages 113-115 for details.
Termination of employment	Requires no more than three months' notice by Macquarie or the Executive KMP (Post employment restrictions apply).
Post employment restrictions	Restrictions include non-solicitation provisions applicable for six months, and paid non-competition provisions applicable, at Macquarie's election, for up to three months post-termination.

Pay for performance

This section details Macquarie's results and demonstrates the link between pay and performance.

Macquarie's results

As set out in the Letter from the Chair of the BRC, Macquarie's FY2025 results are underpinned by our unique business mix and differentiated offerings which have enabled us to navigate an external environment of ongoing market and economic uncertainty. Our well-established remuneration framework rewards performance across a range of financial and non-financial measures and aligns outcomes for staff with those of our shareholders. NPAT increased by 5% and ROE is up compared with the prior year. EPS increased by 7% and the total ordinary dividend for FY2025 of $A6.50 per share is up 2% compared with the prior year. CEO awarded profit share has decreased by 5% and total comparable Executive KMP awarded profit share has increased by 3%. Further details of the financial and non-financial factors considered in the determination of remuneration outcomes for the CEO and other Executive KMP are explained in the awarded pay tables in the following section.

The total compensation expense is broadly in line with the prior year. The FY2025 compensation expense to income ratio (compensation ratio) of 42.2% is lower compared with the prior year, reflecting higher overall revenue.

Comparison of performance measures and executive remuneration measures: FY2024–2025

	Expressed as	FY2025	FY2024	Increase/(Decrease) %
Performance measures				
NPAT	$Am	**3,715**	3,522	5%
Basic EPS	Cents per share	**979.4**	916.6	7%
Ordinary dividends	Cents per share	**650**	640	2%
Return on equity	Percent	**11.2**	10.8	
Executive remuneration measures				
Total compensation expense	$Am	**7,255**	7,273	-
Compensation expense to income ratio	Percent	**42.2%**	43.1%	
Average staff headcount[19]		**20,070**	21,066	(5%)
Actual staff headcount[19]		**19,735**	20,666	(5%)
CEO awarded profit share	$Am	**22.50**	23.75	(5%)
Total Executive KMP awarded profit share	$Am	**103.92**	80.20	30%
Total comparable Executive KMP awarded profit share[20]	$Am	**82.31**	80.20	3%
CEO statutory remuneration	$Am	**29.27**	29.37	-
Total Executive KMP statutory remuneration	$Am	**136.60**	67.19	103%
Total comparable Executive KMP statutory remuneration	$Am	**116.46**	109.51	6%

Performance over past 10 years: FY2016–2025

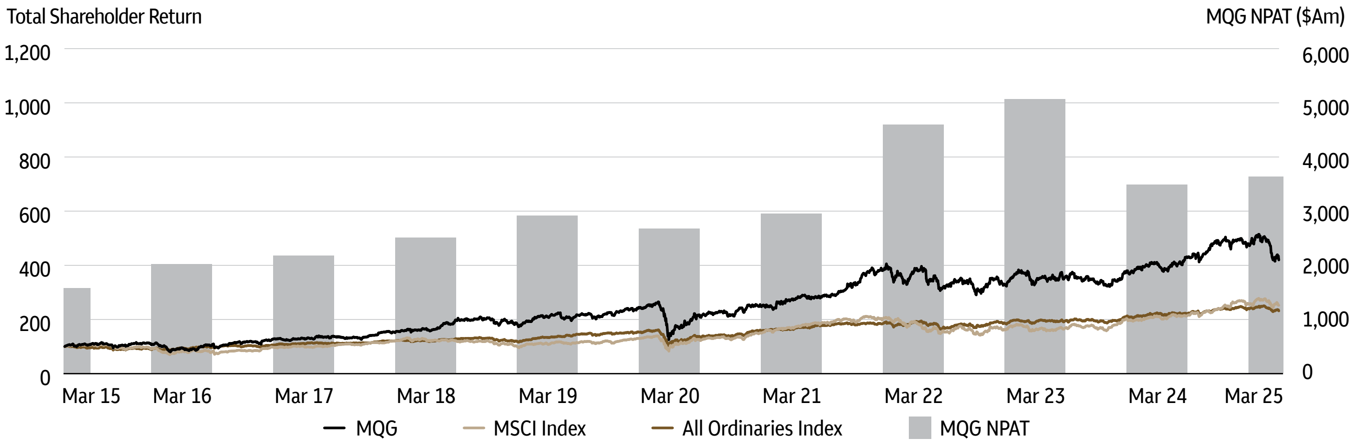
Year ended 31 March	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Income statement										
NPAT ($Am)	2,063	2,217	2,557	2,982	2,731	3,015	4,706	5,182	3,522	**3,715**
Basic EPS (cents per share)	619.2	657.6	758.2	883.3	791.0	842.9	1,271.7	1,353.7	916.6	**979.4**
Shareholder returns										
Return on equity (%)	14.7	15.2	16.8	18.0	14.5	14.3	18.7	16.9	10.8	**11.2**
Ordinary dividends (cents per share)	400	470	525	575	430	470	622	750	640	**650**
Share price as at 31 March ($A)	66.09	90.20	102.90	129.42	85.75	152.83	203.27	175.66	199.70	**196.64**
Annual TSR (%) to 31 March[21,22]	(9.2)	46.0	21.3	32.8	(29.9)	83.9	38.6	(9.8)	19.3	**2.1**
10 year TSR (%) to 31 March[21,22]	83.5	99.0	257.7	723.6	220.7	628.6	1,101.9	706.5	475.6	**319.8**

19 Headcount for both FY2025 and FY2024 includes staff employed in certain operationally segregated subsidiaries (OSS).
20 Comparable Executive KMP are KMP who are members of the Executive Committee for the full year in both FY2025 and FY2024.
21 TSR data reflects the reinvestment of gross dividends.
22 Source: Bloomberg.

Total shareholder return

Macquarie's TSR over the long-term has been strong and continues to outperform both the MSCI World Capital Markets Index (MSCI Index) and the All Ordinaries Accumulation Index (All Ords Index), as shown in the chart and table below.[23,24] Macquarie's NPAT over the same period has been shown for reference.

Macquarie TSR versus the MSCI Index and All Ords Index: 31 Mar 2015 to 31 Mar 2025[25]



TSR Performance	MQG	All Ordinaries Index	MSCI World Capital Markets Index
Since listing[26]	14,253%	1,382%	279%
10 years[27]	320%	132%	152%

Source: Bloomberg.

Macquarie's ROE performance compared with an international reference group

Macquarie's ROE for FY2025 of 11.2% has increased from 10.8% in the prior year, recognising this is lower than what Macquarie has typically achieved over the past decade. Macquarie's ten-year average annual ROE exceeds the majority of the reference group.

Reference group ROE over ten years FY2016–2025

	1-year average % p.a.	3-year average % p.a.	5-year average % p.a.	10-year average % p.a.
Macquarie	**11.2**	**12.5**	**13.8**	**14.2**
Average of reference group	**14.7**	**12.9**	**13.9**	**12.3**
Company	9.5	10.0	9.8	9.1
Company	9.0	8.5	8.0	4.6
Company	6.1	5.9	7.0	6.5
Company	4.1	6.4	4.6	-0.2
Company	12.6	10.2	12.9	10.9
Company	18.2	16.3	15.7	13.7
Company	52.8	28.0	38.6	42.9
Company	13.8	11.5	12.5	11.1
Company	6.0	19.1	16.3	11.8

Source: Bloomberg where available, otherwise company reported.

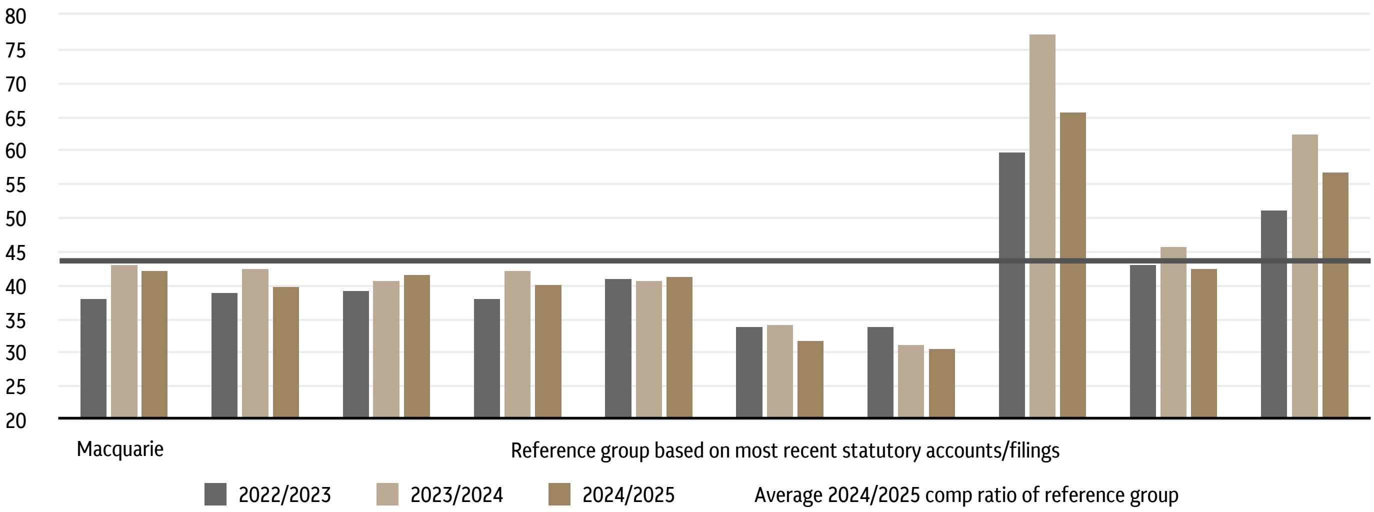
23 The MSCI World Capital Markets Index comprises a basket of companies that provide capital markets activities (defined by MSCI as asset management, investment banking and brokerage, and diversified capital markets activities).
24 The All Ords Index comprises the 500 largest ASX listed companies by market capitalisation.
25 All indexed to 100 on 31 March 2015.
26 "Since listing" for MQG and All Ords Index refers to MQG listing date 29 July 1996. For MSCI, this refers to the date the MSCI World Capital Markets Index was first calculated, being 30 April 2003. Macquarie TSR calculations assume continuous listing. Therefore, they are based on Macquarie Bank Limited (ASX Code: MBL) data up to and including 2 November 2007 (the last day of trading of MBL shares), and MGL (ASX Code: MQG) data from the commencement of trading of MGL ordinary shares on 5 November 2007 onwards.
27 For the period 31 March 2015 to 31 March 2025.

Compensation expense to income ratio

In determining the reasonableness of the company-wide profit share pool, the Board considers Macquarie's compensation ratio compared with that of the international reference group as a broad guide to assess whether the share of profits distributed to staff and shareholders is reasonable. The compensation ratio effectively adjusts for differences in size between organisations; however, some companies are or have become part of larger organisations, often with large retail operations that can distort comparisons.

In the following chart, Macquarie's compensation ratio is compared with that of the international reference group.[28] Macquarie's FY2025 compensation ratio of 42.2% is lower than FY2024 and remains below the average of our international reference group.

Compensation expense to income ratio: FY2023–2025 (%)

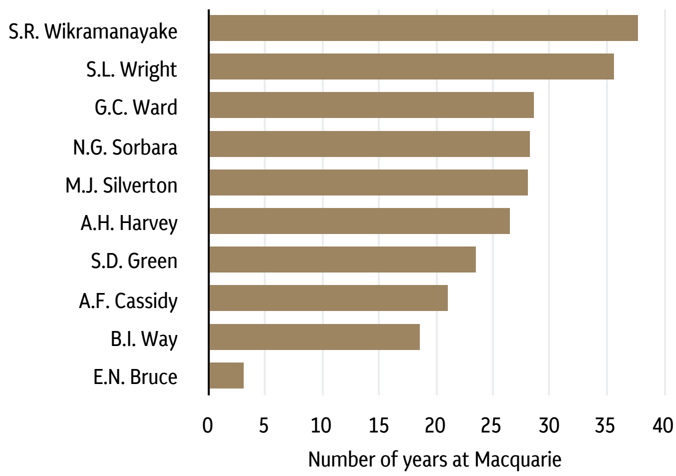


Source: Data has been calculated by Macquarie. The information is based on publicly available information for the reference group. In order to show more comparable compensation ratios, impairments have been consistently netted against net revenue in the revised calculations for some organisations.

Tenure of Executive KMP[29]

One of the primary goals of our remuneration framework is to attract, motivate and retain high-performing staff. The Board's view is that we continue to achieve this goal as demonstrated by the following:

- Macquarie's Executive KMP had an average tenure of 25 years with Macquarie as at 31 March 2025. Their strong leadership and deep expertise have been integral to driving company and business performance in FY2025
- as at 31 March 2025, 51% of Director-level staff had more than ten years' experience with Macquarie, while a further 23% had between five and ten years' experience with Macquarie[30]
- the 4% Director-level voluntary turnover rate in FY2025 remains consistent with FY24 (4%) and well below the voluntary turnover rate across Macquarie overall.[31]



[28] The reference group comprises Bank of America Corporation, Barclays PLC, Citigroup Inc., Deutsche Bank AG, Goldman Sachs Group Inc., JPMorgan Chase & Co., Lazard Ltd, Morgan Stanley and UBS AG.
[29] This includes accumulated service at acquired companies, for example, Bankers Trust Investment Bank Australia.
[30] Data is based on active permanent staff only.
[31] Data is based on permanent regular staff only.

Executive KMP remuneration outcomes for FY2025

This section details the process for determining Executive KMP remuneration outcomes for FY2025 and demonstrates the link between pay and performance.

Process to determine Executive KMP remuneration outcomes

There is a consistent and comprehensive process for the Board and the BRC to assess the performance of the CEO and each Executive KMP during the year to enable them to determine remuneration outcomes at the end of the year. The Board is always mindful of the external focus on overall remuneration levels and has spent considerable time determining remuneration outcomes. The BRC recognises the range of expectations and has made decisions that take into consideration the perspectives of all key stakeholders. Significant judgement is applied to ensure that remuneration outcomes are aligned both with individual and company-wide performance and with outcomes delivered to our shareholders, our clients and the communities in which we operate.

As part of the Board's annual review of the Macquarie CEO's performance, the CEO meets with the Board towards the end of the financial year to consider formal documentation that outlines her views of Macquarie's and her own performance. The presentation includes a broad range of Macquarie's activities covering the following main areas:

- financial/business results
- risk management and compliance
- business leadership including customer and community outcomes
- people leadership and professional conduct consistent with the *Code of Conduct* and the principles of *What We Stand For*.

Over the course of the year the Board receives regular reports and updates on many of these areas. These are summarised in the CEO's presentation, together with additional information on matters the Board has identified for further discussion as a part of the review process. The Non-Executive Directors (NEDs) of the Board then consider the CEO's performance and progress against all of these topics in determining the CEO's remuneration for the year. A similar process is followed for the CEO of Macquarie Bank focused on MBL-specific measures.

The CEO annually evaluates the performance of the other Executive KMP and considers the same factors set out above. The Board and the BRC review formal performance assessment documentation for each Executive KMP.

For the CRO and CFO, the Board and the BRC seek to ensure that their performance and remuneration outcomes reflect the independence and purpose of their functions and have not been unduly influenced by the performance of wider business activities.

The BRC also considers risk-related matters raised in the independent reports from the CRO and the Head of Internal Audit. To ensure all matters are appropriately brought to the BRC's attention and to achieve an integrated approach to remuneration that reflects prudent and appropriate risk management, there is a joint meeting of the BRC, BRiC, BAC and the BGCC.

Finally, the BRC considers remuneration levels for organisations that broadly operate in the same markets and compete for the same people as Macquarie.

Annual remuneration outcomes reflect:

- achievements against a range of financial and non-financial factors
- the recognition that our people are our greatest asset, and the importance of retaining key people to encourage innovation and pursue growth opportunities
- alignment to the outcomes delivered to shareholders
- risk management, compliance and conduct outcomes.

Details on specific factors for FY2025 are discussed below.

Executive KMP fixed remuneration outcomes

In line with our pay for performance approach to remuneration, fixed remuneration for our Executive KMP in FY2025 comprised approximately 10% of total awarded remuneration, with the balance at risk and explicitly linked to performance.

There were no fixed remuneration increases for Executive KMP for FY2025, other than to reflect the appointment of Mr Wright to the Executive Committee.

Fixed remuneration remains set at a comparatively low level, relative to the industry, and at a lower proportion of total remuneration, but sufficient to avoid inappropriate risk-taking. No increases are planned for FY2026.

FY2025 Executive KMP profit share outcomes

The Board's determination of remuneration outcomes for FY2025 for the CEO and Executive KMP reflect the following factors:

- overall financial results of Macquarie and the financial performance of each Operating Group, which are underpinned by our unique business mix and differentiated offerings which have enabled us to navigate an uncertain external environment
- continued strategic evolution of our businesses to anticipate shifting market dynamics and make timely investments to generate medium to long-term growth
- increased collaboration across Operating and Central Service Groups, driven by the CEO, to identify cost savings, new client opportunities and deliver holistic solutions
- ongoing progress to strengthen our risk culture
- significant efforts to optimise our operating platform to improve efficiency, reduce risk and underpin sustainable long-term growth
- a focus on enabling the adoption of AI and leveraging AI to drive productivity benefits and maintain Macquarie's competitive advantage, while managing associated risks
- continued efforts to build robust leadership talent pipelines, including through an enhanced approach to succession planning
- enhancements to our approach to managing non-financial risks, including elevating non-financial risk in the Risk Management Group's organisational structure to provide a more holistic risk assessment, as well as strategic investment in our risk data and technology to provide actionable and timely insights.

As set out in the Letter from the Chair of the BRC, despite making many enhancements to strengthen risk culture and non-financial risk frameworks, some risk and regulatory matters occurred during the year which the Board has taken into account in determining remuneration outcomes, including through a reduction in profit share outcomes for the relevant Executive KMP, including the CEO and MBL CEO.

Executive KMP remuneration outcomes have also been considered in the context of the wider workforce. The BRC receives extensive reporting on remuneration outcomes and individually reviews and approves the remuneration of staff who hold regulated roles and other senior staff and has reviewed overall total remuneration levels across each business to ensure appropriate distribution of remuneration across the organisation. The BRC has also considered the compensation expense to income ratio as a guide as to whether the share of profits distributed to staff and shareholders is reasonable.

FY2025 Executive KMP remuneration outcomes

Through a challenging economic and market environment, we have given careful consideration of all these factors and we believe the following outcomes for the year are appropriate:

- CEO awarded profit share has decreased 5% on the prior year to $A22.50 million
- MBL CEO awarded profit share of $A3.87 million
- total comparable Executive KMP[32] awarded profit share of $A82.31 million (up 3% on the prior year)
- PSU allocations of $A3.0 million for the CEO and $A2.1 million for each of the other Executive KMP, a reduction of 25% on the prior year.

Link between sustainability considerations and remuneration outcomes

The Board and Management recognise the importance of sound sustainability practices as part of their responsibility to our customers, clients, staff, shareholders, and the communities in which Macquarie operates. The Board's and the BRC's assessment of each Executive KMP's performance against the three non-financial performance factors when determining profit share outcomes includes progress on relevant sustainability initiatives.

For sustainability considerations relevant to specific Executive KMP, see the commentary on pages 126-135.

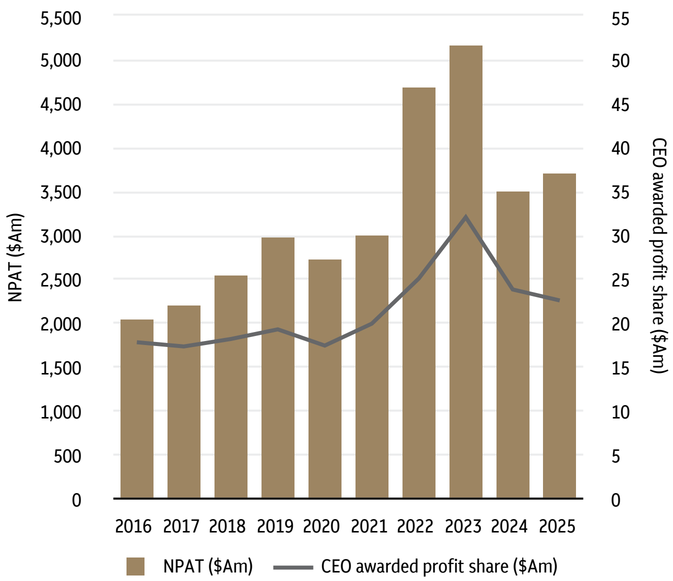
In addition to the process for Executive KMP, sustainability considerations are assessed as part of other employees' individual performance and remuneration determinations where relevant to the responsibilities of their role.

More detailed information on our approach to Sustainability, is available on pages 62-85 in the Sustainability Report of this Annual Report.

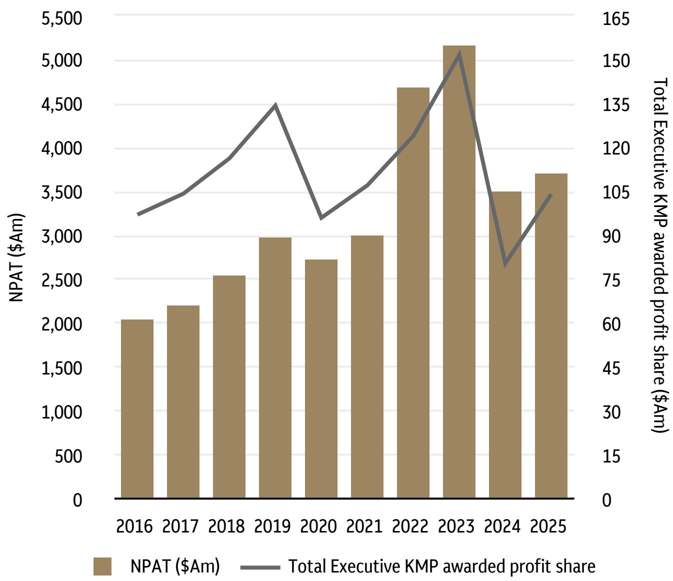
[32] Comparable Executive KMP are KMP who are members of the Executive Committee for the full year in both FY2025 and FY2024.

To demonstrate the alignment between pay and performance, the following graphs show the multi-year alignment between CEO and total Executive KMP awarded profit share and Macquarie NPAT over a ten-year period.

CEO awarded profit share[33]



Total Executive KMP awarded profit share[34,35]



33 For 2019, the graph reflects awarded profit share for the CEO role for FY2019. This equates to the sum of awarded profit share for Mr Moore for the period 1 April 2018 to 30 November 2018 and awarded profit share for Ms Wikramanayake for the period 1 December 2018 to 31 March 2019.
34 For 2024, the graph does not reflect any awarded profit share for the Head of Commodities and Global Markets (CGM) role given Mr O'Kane stepped down as Head of CGM and from the Executive Committee effective 27 February 2024 and resigned from Macquarie effective 18 March 2024.
35 Mr Wright was appointed to the Executive Committee on 1 April 2024.

Executive KMP awarded pay

To clearly demonstrate the link between pay and performance, we have included awarded remuneration disclosures for fixed remuneration and profit share as well as highlights of each Executive KMP's performance for the year. Details of PSUs awarded and vested in the year are set out in the following sections. The tables on the following pages are additional disclosures that are prepared on a different basis to those included in the statutory disclosures in Appendix 2 and are not additive. Remuneration relating to the portion of the relevant periods that each person was an Executive KMP is disclosed.

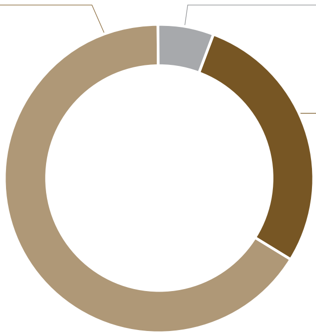
Macquarie Group

Shemara R Wikramanayake

Managing Director and Chief Executive Officer of MGL

Awarded remuneration ($A)	FY2025	FY2024
Fixed remuneration	1,526,819	1,527,224
Available profit share	6,750,000	7,125,000
Retained profit share	15,750,000	16,625,000
Total	**24,026,819**	**25,277,224**

FY2025 Awarded remuneration



Financial/business results

- Delivered NPAT of $A3,715 million, the third highest in Macquarie's history, and ROE of 11.2%, up from the prior year reflecting improved profitability and the return of capital to shareholders
- Continued to diversify and grow our underlying client franchises amidst more challenging conditions for our markets-facing businesses and in areas such as the renewables sector
- Improved operational efficiency by reducing Group-wide duplication and driving greater automation
- Maintained a strong balance sheet and raised diversified funding to support business growth.

Risk management and compliance

- Strengthened our risk culture, including through reflection sessions, setting a clear tone from the top
- Continued to prioritise non-financial risk to optimise our operating model, risk frameworks and technology capabilities
- Strategically invested in building our data and technology capabilities, including in AI while managing associated risks
- Continued to focus on proactive regulatory engagement, including making material progress on our regulatory and remediation programs, with some areas requiring further focus.

Business leadership (including customer and community outcomes)

- Focused on optimising our platform to enable scalable growth and meet stakeholder expectations, recognising our ongoing focus on uplifting our data, digital and technology capabilities
- Guided the strategic evolution of our businesses to remain well positioned to deliver long-term sustainable value, anticipate shifting market dynamics and make timely investments to generate medium to long-term growth
- Supported global action and policy on climate and energy issues, including as a founding member of the Glasgow Financial Alliance for Net Zero and participating in the World Bank Private Sector Investment Lab and the Global Investors for Sustainable Development (GISD) Alliance
- Invested significant time in strengthening our brand, building critical stakeholder relationships including participation in external forums, leading an Australian delegation to the Philippines (as the Australian Government's Business Champion), co-chairing the India Australia CEO Forum, and attendance at the UK Government's International Investment Summit and the Australian Superannuation Investment Summit in Washington.

People leadership and professional conduct

- Continued to provide strong people leadership across the organisation as reflected in Macquarie Voice Survey results
- Dedicated significant effort to support leadership transition, enhance succession planning and empower senior leaders across Macquarie to deliver long-term outcomes
- Continued to enhance our ability to attract and retain high-performing, diverse talent by distinguishing our brand and employee value proposition.

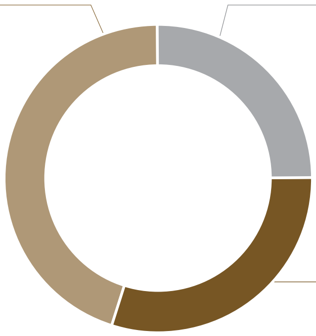
Macquarie Bank

Stuart D Green

Managing Director and Chief Executive Officer of MBL

Awarded remuneration ($A)	FY2025	FY2024
Fixed remuneration	1,326,526	1,323,893
Available profit share	1,548,000	1,500,000
Retained profit share	2,322,000	2,250,000
Total	**5,196,526**	**5,073,893**

FY2025 Awarded remuneration



Financial/business results

- MBL maintained a strong and efficient balance sheet, above regulatory minimums, with increased diversity of funding sources
- Provided strategic direction for MBL, including structural initiatives and external fundraising
- Achieved upgrade to MBL's Fitch's credit rating from 'A' to 'A+'.

Risk management and compliance

- Provided ongoing leadership of remediation plans for MBL, including ensuring that outcomes are embedded and sustained
- Supported the uplift of risk management and governance for Macquarie Bank Europe DAC and MBL London branch
- Continued to focus on engaging with regulators globally in a proactive and transparent way, including through progress of key remediation initiatives, with some areas requiring further focus
- Provided review and challenge of key elements of the risk management framework to continue to safeguard MBL
- Continued to monitor and strengthen risk culture to protect the interests of MBL and deposit holders.

Business leadership (including customer and community outcomes)

- Continued to promote and protect MBL's interests as MBL CEO, including leadership and oversight of the MBL CEO Office to provide independent review and challenge
- Contributed to the further evolution of MBL Board and Board Conflicts Committee (e.g., operations and reporting), in particular supporting the Bank-only Non-Executive Directors (BONDs) in considering and upholding the best interests of MBL
- Provided strategic support to CGM and BFS to enhance business growth and earnings, and strengthen our operational platform
- Engaged with investors, peers and external counterparties to optimally support our businesses from a funding and capital perspective, as well as ensuring we meet regulatory requirements and expectations
- Participated actively in external forums, including as an Australian Banking Association Council member and the International Monetary Fund Annual Meetings
- Member of the Macquarie Group Foundation Committee and the Social Impact Investment Advisory Committee (SIIAC).

People leadership and professional conduct

- Provided leadership support in the EMEA region, including guiding Macquarie Bank Europe DAC and MBL London Branch through leadership transition
- Reinforced the privilege of holding a banking licence by representing the interests of MBL at internal meetings and forums, including the annual strategy process and staff engagements
- Remained committed to diversity efforts, including sponsoring Macquarie's global Accessibility Action Plan and mentoring for Generation Valuable (a global business partnership working to end disability exclusion).

Macquarie Asset Management (MAM)

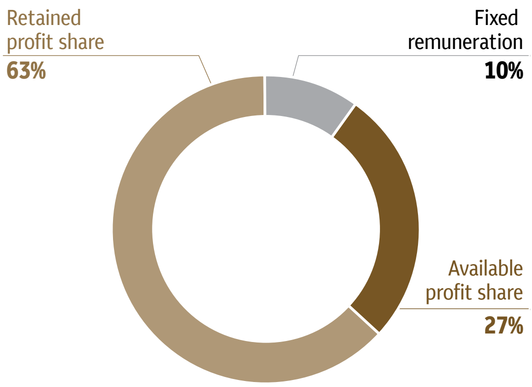
MAM is a global integrated asset manager and provides a diverse range of investment solutions to clients, including real assets, real estate, credit, equities & multi-asset, insurance solutions and secondaries.

Ben I Way

Head of MAM

Awarded remuneration ($A)	FY2025	FY2024
Fixed remuneration	1,241,348	1,330,435
Available profit share	3,450,000	5,000,000
Retained profit share	8,050,000	5,000,000
Total	**12,741,348**	**11,330,435**

FY2025 Awarded remuneration



The BRC exercised its discretion to increase the FY2025 retention rate for Mr Way from 50% to 70%.

The release of a portion of Mr Way's FY2025 retained profit share is subject to an additional condition related to the delivery of enhanced community outcomes across MAM's portfolio companies.

As outlined on page 119, prior to joining the Executive Committee, Mr Way was allocated an entitlement to a share of performance fees under Macquarie's carried interest arrangements for certain funds. During FY2025, performance fees have been accrued for these funds, which in turn generates a potential future distribution to Mr Way of $A3.2 million. This estimated carried interest entitlement has been considered in determining his FY2025 profit share allocation. Mr Way's FY2025 profit share allocation plus this estimated carried interest entitlement is $A14.7 million.

Financial/business results

- Delivered a net profit contribution of $A1,610 million, up 33% on the prior year largely driven by strong Real Asset performance fees and higher investment income
- Total funding usage was in line with the prior year, as disciplined use of the balance sheet remains critical to support medium and long-term growth activities.

Risk management and compliance

- Promoted a fiduciary mindset and fostered a strong risk culture through leadership role modelling, an emphasis on psychological safety and enhanced risk reporting
- Enhanced risk frameworks to manage increasing fiduciary obligations, regulatory expectations and other risks, including ESG and AI
- Proactively engaged with regulators on regulatory reviews and remediation activities, which are of continuing focus
- Continued to prioritise Work Health and Safety (WHS), focusing on critical risk management, leadership capabilities and enhanced reporting.

Business leadership (including customer and community outcomes)

- Continued to deliver progress on MAM's strategic priority areas, including the growth of alternative to wealth capabilities, first permanent insurance capital, growth of energy transition funds and launch of direct lending strategies
- Delivered strong client outcomes through significant transactions such as the sale of AirTrunk and investment in D.E. Shaw Renewable Investments
- Led the sale of MAM's Fixed Income, Equities and Multi-asset business in North America and Europe to Nomura
- Actively explored strategic M&A opportunities, focusing on enhancing private markets capabilities
- Continued to drive sustainability through enhanced ESG reporting capabilities and data governance, and investment in climate solutions
- Uplifted MAM's digital platform, including roll-out of initial AI capabilities.

People leadership and professional conduct

- Continued to invest in leadership capabilities in strategic growth areas and focus on building robust talent pipelines
- Made progress on building a diverse and inclusive work environment, including an increase in female representation
- Proactively managed MAM's workforce, focusing on future needs of the business to create capacity for talent in strategic growth areas.

Banking and Financial Services (BFS)

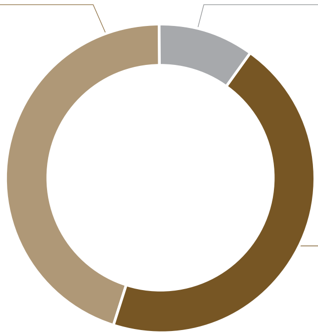
BFS comprises Macquarie's retail banking and financial services businesses, providing a diverse range of personal banking, wealth management and business banking products and services to retail clients, advisers, brokers and business clients.

Greg C Ward

Deputy Managing Director of MGL and Head of BFS

Awarded remuneration ($A)	FY2025	FY2024
Fixed remuneration	1,120,158	1,120,562
Available profit share	5,250,000	5,000,000
Retained profit share	5,250,000	5,000,000
Total	**11,620,158**	**11,120,562**

FY2025 Awarded remuneration



Financial/business results

- Delivered a net profit contribution of $A1,380 million, up 11% on the prior year, despite ongoing margin compression
- Oversaw strong organic growth in key BFS products, with total BFS deposits up 21% to $A172.4 billion, growth in the home loan book by 19% to $A141.7 billion and in the Business Banking loan portfolio, up 6% to $A16.7 billion. Funds on platform increased by 4% to $A154.0 billion
- Continued to take a prudent approach to investment decisions to drive greater focus on core offerings, including cessation of car loan originations.

Risk management and compliance

- Continued to enhance core risk management processes and refine the operating model to address emerging risk areas, including client protection capabilities, governance and regulatory reporting
- Delivered a lower risk and arrears profile for the home loan portfolio compared to the industry average
- Enhanced client protection capabilities through increased investment in AI, machine learning and biometrics, improving fraud detection rates in FY2025
- Implemented optimisation initiatives for the complaints management process, improving customer resolution times.

Business leadership (including customer and community outcomes)

- Made investments in technology and AI to support scalable growth, improve the reliability of our systems and enhance the customer experience
- Increased customer satisfaction, as measured by our Market Net Promoter Score[36]
- Evolved products in line with customer and community expectations, including digitalising home loan financial assistance applications, to better support customers.

People leadership and professional conduct

- Continued investment in people, including staff development and mobility to drive staff engagement
- Made consistent progress in building a diverse team that accesses, develops and reflects the best talent in the communities in which we operate.

[36] Based on the total market who have Any Financial Relationship with the specified bank, and how likely the respondent would be to recommend the specified bank to their friends and family, prepared by RFI-DBM.

Commodities and Global Markets (CGM)

CGM 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.

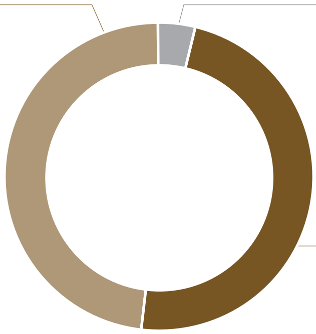
Simon L Wright

Head of CGM

Awarded remuneration ($A)	FY2025
Fixed remuneration	1,120,158
Available profit share	10,806,250
Retained profit share	10,806,250
Total	**22,732,658**

Simon Wright became Head of CGM on 28 February 2024 and was appointed to the Executive Committee effective 1 April 2024.

FY2025 Awarded remuneration



Financial/business results

- Delivered a net profit contribution of $A2,829 million in FY2025, down 12% on the prior year due to subdued conditions in certain commodity markets and the unfavourable impact of the timing of income recognition on gas and power contracts
- Continued to focus on ensuring CGM's capital and funding structure is robust, proactively managing the balance sheet and credit exposures to support business growth and evolving regulatory requirements.

Risk management and compliance

- Continued to uplift CGM's approach to non-financial risk management, including investment in non-financial risk teams and enhancements to governance and data
- Supported the ongoing maturation of CGM's risk culture, with a strong focus on sharing lessons learnt and maintaining a strong tone from the top
- Enhanced CGM's project delivery with dedicated operational risk change resources and change assurance capabilities.

Business leadership (including customer and community outcomes)

- Successfully transitioned into the Head of CGM role
- Redefined CGM's growth strategy to position the business for sustainable growth over the medium to long term
- Invested in data, technology and AI to support business growth, ensure competitiveness in the market and meet evolving regulatory expectations
- Focused on scaling existing products into new or adjacent areas and implemented innovative solutions in response to client needs, including support of their energy transition pathways
- CGM maintained strong market recognition, including No.1 Futures broker on the ASX;[37] awarded House of the Year for Oil and Products, Natural Gas/LNG and Commodities Research at the Energy Risk Awards 2024; and awarded House of the Year for Commodities Research, Base Metals, Commodity Trade Finance and Derivatives at the Energy Risk Asia Awards 2024.

People leadership and professional conduct

- Evolved the organisational structure of CGM to ensure it is well-positioned to deliver on its strategic priorities, with senior appointments made to strengthen its leadership
- Supported the leadership transition, including continued investment in leadership capability and driving a robust approach to succession planning
- Focused on cultivating improved wellbeing, workload sustainability and career development to drive engagement
- Launched a new talent identification framework to enhance talent identification, development, mobility and pipelines to secure long-term and sustained profitability of the business.

[37] ASX Futures 24 (SFE) Monthly Report March 2025.

Macquarie Capital

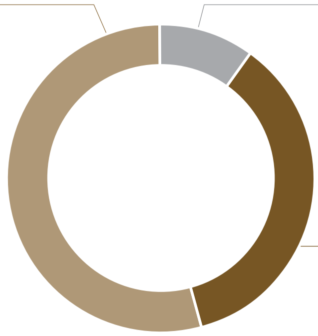
Macquarie Capital is a global adviser and investor. It combines deep sector expertise with capabilities including specialist investing across private credit, private equity, real estate, growth equity, venture capital, and in infrastructure and energy projects and companies. It also supports client's growth through advice and capital raising services, and provides equity brokerage and insights.

Michael J Silverton

Head of Macquarie Capital

Awarded remuneration ($A)	FY2025	FY2024
Fixed remuneration	1,227,475	1,198,965
Available profit share	4,172,000	5,250,000
Retained profit share	6,258,000	5,250,000
Total	**11,657,475**	**11,698,965**

FY2025 Awarded remuneration



The BRC exercised its discretion to increase the FY2025 retention rate for Mr Silverton from 50% to 60%.

Financial/business results

- Delivered a net profit contribution of $A1,043 million, broadly in line with FY2024
- Investment-related income broadly in line with FY2024
- Fee and commission income up on FY2024, driven by improved performance in a recovering global mergers and acquisitions (M&A) market.

Risk management and compliance

- Continued to uplift the risk management framework and focus on risk culture, including enhanced oversight of material risks and reporting
- Implemented key system replacements in Macquarie Equities to improve data capabilities and reduce operational risk
- Focused on constructive engagement with stakeholders, including regulators.

Business leadership (including customer and community outcomes)

- Continued progress on strategic priority areas across client and investing activities to position the business for future growth opportunities and exiting less prospective areas
- Oversight of growing credit and equity investing activities and management of opportunities and portfolios
- Focused on global collaboration across Macquarie Capital and with other Operating Groups, leveraging Macquarie Capital's network to unlock broader opportunities and provide solutions for clients, through greater alignment and engagement between Groups
- Retained Macquarie Capital's leading market position in ANZ across M&A and capital markets in FY2025 (by deal count)
- Delivered improved community outcomes through continued partnering with clients and use of principal investment and development capabilities in key sectors including education, government services, technology and digital infrastructure.

People leadership and professional conduct

- Leadership focus in FY2025 has been on connectivity across teams, regions and divisions to ensure ongoing engagement, risk culture and alignment with our purpose
- Continued investment in talent and on uplifting capability through key flagship development programs such as Global Associates, VP Promotes programs and the Origination program
- Launched a mid-level talent forum across Macquarie Capital globally, to enhance engagement with leadership and improve the experience of staff.

Corporate Operations Group (COG)

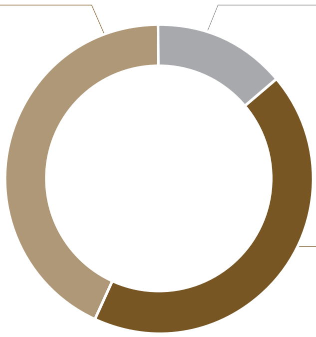
COG brings together specialist capabilities in technology, data, AI, market operations, corporate real estate, business resilience, procurement and global security to support Macquarie's growth.

Nicole G Sorbara

Chief Operating Officer (COO) and Head of COG

Awarded remuneration ($A)	FY2025	FY2024
Fixed remuneration	1,120,158	1,120,562
Available profit share	3,372,500	3,400,000
Retained profit share	3,372,500	3,400,000
Total	**7,865,158**	**7,920,562**

FY2025 Awarded remuneration



Financial/business results

- Maintained a flat COG cost base and drove $A100 million in efficiency savings to self-fund investment in COG services and business-aligned investments. Realised $A117 million in savings to Macquarie from direct costs influenced by COG.

Risk management and compliance

- Maintained a strong and robust risk culture by setting a strong tone from the top, reinforcing the importance of psychological safety, celebrating good risk outcomes, and proactive risk identification and mitigation with sustained decrease in incidents
- Strengthened Macquarie's cyber security environment through sustained delivery of the cyber controls uplift program
- Completed implementation of CPS 511 and continued to make significant progress on the remediation program with APRA
- Accelerated execution of the data strategy, driving reduction in data risk, enhancements in data governance and supported the enterprise to unlock data opportunities
- Uplifted Macquarie's frameworks in readiness to meet new global supplier and business resilience regulatory requirements including CPS 230 and DORA.

Business leadership (including customer and community outcomes)

- Delivered the development of Macquarie's new global headquarters, world-class Metro station and new Martin Place precinct. Delivered New York workplace rebuild, and office refurbishments in Brisbane, Singapore and Houston
- Led two Executive Committee on-sites on Data and Technology, aligning business, data and technology strategies
- Delivered modern, resilient and highly available technology services and platforms
- Accelerated Group digitalisation programs with implementation of an end-to-end digital reward experience and operations digital platform
- Led adoption of generative AI at scale and enhanced AI governance
- Delivered 2025 Sustainability Plan and achieved net zero emissions in Macquarie's own business operations for Scope 1 and 2
- Supported 3,000 non-profit organisations with $A57 million contributed by Macquarie employees and the Macquarie Group Foundation in FY2025.

People leadership and professional conduct

- Invested in career and leadership development through strategic partnerships with thought leaders in innovation and disruption, continuous adaptation and purpose mindset
- Rolled out skills programs in AI, agile, and digital and data analytics to continue building skills across Macquarie
- Continued to build a diverse and inclusive environment strengthening talent pipelines in COG
- Ongoing leadership support to People & Culture, Macquarie Group Foundation and Corporate Strategy & Solutions following their transition from COG to FPE.

Financial Management, People and Engagement (FPE)

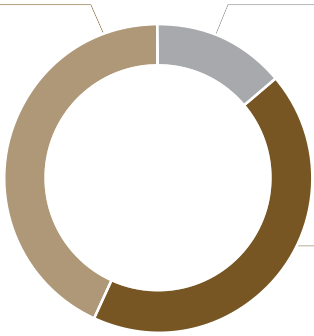
FPE is responsible for managing Macquarie Group's financial, tax and treasury activities and strategic priorities, fostering our culture through people and community engagement, and engaging with stakeholders to protect and promote Macquarie's reputation globally.

Alex H Harvey

Chief Financial Officer (CFO) and Head of FPE

Awarded remuneration ($A)	FY2025	FY2024
Fixed remuneration	1,120,158	1,120,562
Available profit share	3,562,500	3,400,000
Retained profit share	3,562,500	3,400,000
Total	**8,245,158**	**7,920,562**

FY2025 Awarded remuneration



Financial/business results

- Maintained a strong and efficient balance sheet through capital management and funding initiatives to support business growth
- Delivered meaningful progress on transformation, including the end-to-end capital program
- Reinvested savings from transformation initiatives into our people and digital capabilities, including AI.

Risk management and compliance

- Continued to evolve FPE's risk management framework, emphasising accountability through shared learnings and more clearly defined roles
- Reduced risks through strategic initiatives, including enhancements in data transfer controls, operating standards and processes, and regulatory reporting
- Strengthened risk culture, including through the recognition of positive risk behaviours and risk culture outcomes, as well as ongoing investment in non-financial risk management
- Continued to progress initiatives on the remediation program with APRA, including enhancing risk culture across FPE.

Business leadership (including customer and community outcomes)

- Evolved the Financial Management Group (FMG) into FPE to provide a single interface for Macquarie across key areas of people, strategy, communications and financial management, to streamline financial management activities and strengthen connections between our brand, talent and enterprise growth strategies
- Engaged extensively with investors and analysts, including leading Macquarie's EMEA Investor Tour in March 2025
- Maintained strong relationships and global engagement with government bodies and at both internal and external forums, including the Australian Treasurer's Investor Roundtables, Macquarie's ESG Roundtable forums, and participation in the IMF Annual Meetings
- Continued to chair the Macquarie Group Foundation through an active year, including significant progress on our social impact strategy. $A57 million contributed to over 3,000 non-profit organisations by Macquarie employees and the Macquarie Group Foundation in FY2025.

People leadership and professional conduct

- Continued to foster a culture of inclusion by maintaining a culture that attracts, develops and retains diverse talent
- Supported the FPE People Strategy, including the development of team members' skills, and mobilising and redeploying key talent
- Maintained robust succession plans and streamlined executive leadership team while sponsoring development and talent initiatives.

Risk Management Group (RMG)

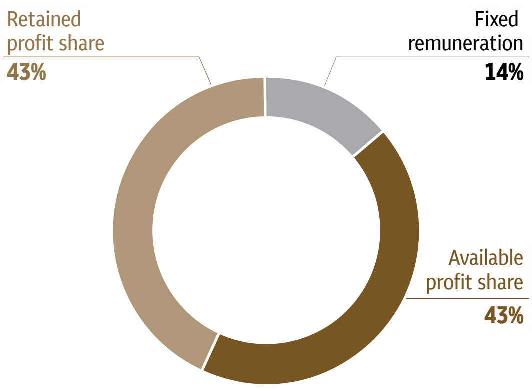
RMG is the independent and centralised function responsible for objective review and challenge, oversight, monitoring and reporting in relation to Macquarie's material risks. RMG designs and oversees the implementation of the risk management framework.

Andrew F Cassidy

Chief Risk Officer (CRO) and Head of RMG

Awarded remuneration ($A)	FY2025	FY2024
Fixed remuneration	1,120,158	1,120,562
Available profit share	3,195,000	2,800,000
Retained profit share	3,195,000	2,800,000
Total	**7,510,158**	**6,720,562**

FY2025 Awarded remuneration



Financial/business results

- Focused on embedding enhancements to the RMG operating model and maintaining appropriate investment in systems and capabilities to ensure regulatory and business expectations are being met.

Risk management and compliance

- Focused on embedding and sustaining the remediation program with APRA and other regulatory priorities
- Continued to oversee proactive engagement with regulators globally in an open, transparent and constructive way
- Continued to embed a sound risk culture, through enhancements to the risk culture framework and emphasising the importance of a 'speak-up culture' and RMG's supervisory oversight.

Business leadership (including customer and community outcomes)

- Evolved RMG's operating model in line with changing business, stakeholder and community expectations, including enhancing non-financial risk management to provide more holistic risk assessment and streamline processes and policies
- Supported the adoption of AI, including through staff training, development of risk guidance and digitalisation of processes including financial crime, policy management and credit review assurance
- Continued to oversee the delivery of Macquarie's Net Zero and Climate Risk Program.

People leadership and professional conduct

- Embedded the refreshed RMG Strategy, with a focus on building resilient teams and investing in diverse talent
- Remained focused on building a strong leadership team, with strategic senior appointments enabling greater collaboration across RMG.

Legal and Governance Group (LGG)

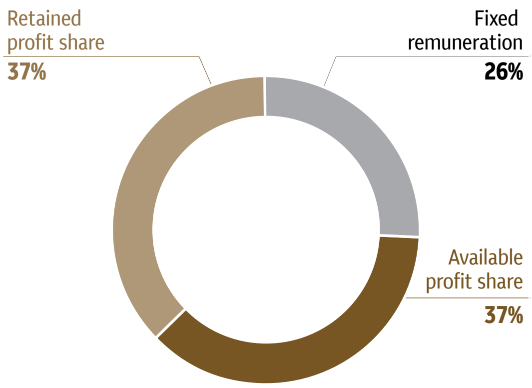
LGG provides a full range of legal and corporate governance services, including strategic legal and governance advice and risk assessment on corporate transactions, treasury and funding, insurance, regulatory enquiries and litigation.

Evie N Bruce

Group General Counsel (GGC) and Head of LGG

Awarded remuneration ($A)	FY2025	FY2024
Fixed remuneration	1,120,158	1,120,562
Available profit share	1,625,000	1,500,000
Retained profit share	1,625,000	1,500,000
Total	**4,370,158**	**4,120,562**

FY2025 Awarded remuneration



Financial/business results

- Continued to evolve the LGG operating model and invest in process automation and improvement initiatives, including technology and AI tools.

Risk management and compliance

- Continued to enhance management of legal risk, in line with Macquarie's Risk Appetite Statement, including through operational resilience and AI governance uplifts
- Embedded LGG's professional standards, fostering an effective risk culture, with an emphasis on promoting a speak-up culture
- Continued to play a central role in supporting the ongoing program of regulatory work, which is important to maintain our social licence to operate
- Oversaw and provided support for the successful implementation of the FAR.

Business leadership (including customer and community outcomes)

- Continued to act as a trusted advisor, providing strategic and commercially sound legal advice on major transactions and initiatives across Macquarie
- Collaborated with the Operating Groups to introduce a standardised global approach to regulatory merger clearance filings, reducing regulatory risk
- Continued as a member of the Macquarie Group Foundation Committee.

People leadership and professional conduct

- Maintained strong staff engagement in LGG and fostered a diverse and inclusive culture
- Supported staff development, including through investment in tailored skills programs, as well as pro bono opportunities
- Continued to embed the LGG professional standards in support of Macquarie's purpose, and principles of *What We Stand For*.

Executive KMP – Allocation of PSUs for FY2025

Individual PSU allocations were determined based on their role as members of the Executive Committee and contribution to driving the collective performance of Macquarie (taking into consideration both financial and non-financial factors), including their collaboration across businesses. As noted in the Letter from the Chair of the BRC, FY2025 PSU allocations have been reduced by 25% for all Executive KMP.

The number of PSUs to be allocated will be calculated by dividing the face value of the PSU award by the price of MGL ordinary shares on or around the date of grant.

Approval will be sought at Macquarie's 2025 AGM to allocate PSU awards to the Macquarie CEO, who is also an Executive Voting Director.

The table below sets out PSU awards to current Executive KMP.

Executive KMP	Face value of the FY2025 PSU award ($A)	Face value of the FY2024 PSU award ($A)
Shemara R Wikramanayake	3,000,000	4,000,000
Evie N Bruce	2,100,000	2,800,000
Andrew F Cassidy	2,100,000	2,800,000
Stuart D Green	2,100,000	2,800,000
Alex H Harvey	2,100,000	2,800,000
Michael J Silverton	2,100,000	2,800,000
Nicole G Sorbara	2,100,000	2,800,000
Greg C Ward	2,100,000	2,800,000
Ben I Way	2,100,000	2,800,000
Simon L Wright[38]	2,100,000	–

Pages 113 to 115 set out details of the additional qualifying condition, performance hurdles and vesting periods applicable to these awards.

Executive KMP – PSUs vesting during FY2025

The PSUs that completed their performance period on 30 June 2024 comprised those awards granted in 2020.[39] The performance hurdle tests were performed using data sourced from Bloomberg for all companies in the international reference group (as well as Macquarie) and the calculations were reviewed independently.

The results showed that the performance hurdles:

- based on the EPS CAGR in Macquarie's reported financial year was not met, and
- based on Macquarie's relative average annual ROE compared to the international reference group was partially met.

As a result, 41% of the awards became exercisable on 1 July 2024, as shown below:

	EPS CAGR Hurdle			ROE Hurdle		
PSU award	Macquarie result (for vesting period)	Hurdle	Outcome	Macquarie result (for vesting period)	Hurdle	Outcome
2020 Award	3.75%	50% at 7.5% CAGR 100% at 12% CAGR	0% exercisable	14.80% (66th percentile)	50% above the 50th percentile[40] 100% at the 75th percentile[40]	82% exercisable

38 Mr Wright was appointed as Head of CGM and became a member of the Executive Committee effective 1 April 2024. Therefore he was not eligible to receive a PSU allocation for FY2024.
39 PSUs awarded in each year from FY2020 to FY2023 vest in a single tranche after four years.
40 International reference group ROE at 50th percentile 12.95% and international reference group ROE at 75th percentile 15.05%.

Remuneration governance

Effective governance is central to Macquarie's remuneration strategy and approach. The key elements of Macquarie's remuneration governance framework are described below.

BOARD	
Board Remuneration Committee ↔	**Board Risk Committee, Board Audit Committee & Board Governance and Compliance Committee**
Oversees remuneration policies and practices, and makes recommendations to the Board	Discuss any relevant matters that may impact remuneration in a joint meeting with the Board Remuneration Committee

Strong Board oversight

The Board oversees Macquarie's remuneration framework and its effective application. The Board has a BRC whose objective is to assist the Board with Macquarie's remuneration policies and practices. The BRC currently comprises three independent NEDs as set out earlier in the Directors' Report.

The BRC members have the required experience and expertise in human resources, remuneration and risk to enable them to achieve effective governance of the remuneration framework. The BRC has a regular meeting cycle and met seven times during FY2025. Attendance at meetings by the BRC members is set out on page 91. Strict processes are in place to ensure conflicts of interest are appropriately managed.

The MBL BRC works closely with the BRC to assist the MBL Board with its oversight of remuneration policies and practices applying to staff of Macquarie Bank.

BRC responsibilities

The BRC pays close attention to the design and operation of remuneration practices for all Macquarie staff, not just for the most senior executives. The responsibilities of the BRC are outlined in its Charter, which is reviewed and approved annually by the Board.

Some of the responsibilities include:

- overseeing the process for the annual review by the Board of the CEO's, MBL CEO's and other Executive KMPs' performance
- recommending to the Board the remuneration outcomes for all Executive KMP, other roles specified under CPS 511 and other senior executives
- assessing the effectiveness of the *Remuneration Policy* to ensure compliance with legal and regulatory requirements, as well as to support the alignment of remuneration with prudent risk-taking and professional conduct across the organisation
- recommending the *Remuneration Policy* to the Board for approval.

Alignment to risk

The BRC liaises with the BRiC, BAC and BGCC to ensure there is effective co-ordination between the Committees to assist in producing an integrated approach to remuneration that reflects prudent and appropriate risk management.

As set out on page 118, the CRO provides the BRC with an independent report detailing significant risk matters (financial and non-financial) including those relating to incidents, issues, and regulatory and litigation matters; and the Head of Internal Audit provides an independent report to the BRC on internal audit matters. A joint meeting of the BRC, BRiC, BAC and BGCC is held to discuss these matters, with the CRO and the Head of Internal Audit in attendance. The GGC attends as required to provide a further source of independent input.

Engagement with external stakeholders

The Chair of the Board and the BRC Chair undertook a series of meetings with investors and proxy advisors during the year to communicate our remuneration approach and to hear any concerns raised by the investor community.

Independent remuneration review

The BRC has retained Pay Governance as its independent remuneration consultant, for the use of the Board to obtain advice on the appropriateness of Macquarie's remuneration framework.

The only service that Pay Governance provides to Macquarie is executive compensation consulting to the BRC. Pay Governance has not made any remuneration recommendations, as defined by the *Corporations Act 2001* (Cth) (the Act). The BRC is responsible for making decisions within the terms of its Charter. Pay Governance's terms of engagement set out their independence from members of Macquarie's management. This year, Pay Governance:

- provided information on global remuneration and regulatory trends
- considered alignment with shareholder interests
- compared individual remuneration for Executive KMP where relevant comparator company information was available
- considered Macquarie's overall remuneration approach compared to comparator company organisations.

Pay Governance's findings included that:

- the objectives of Macquarie's remuneration framework are similar to those cited by other leading global investment banks
- Macquarie's remuneration components support its remuneration objectives and principles and are largely consistent with practices at other leading global investment banks, including that performance-based remuneration takes risk management into account.

Non-Executive Director remuneration

The Board seeks to appoint and appropriately remunerate high calibre NEDs. Reflecting the Board's role, the remuneration arrangements applicable to NEDs, as outlined in this section, differ significantly from the arrangements applicable to executives.

Non-Executive Director remuneration

Non-Executive Director fees are set acknowledging the level required to appropriately remunerate highly qualified NEDs who have the relevant skills and experience to govern as a member of the Board.

The NED remuneration framework seeks to remunerate high calibre directors by:

- setting an overall fee that reflects the scale and complexity of Macquarie including additional risk management and regulatory responsibilities and the global financial nature of Macquarie's activities
- setting Board and Board Committee fees to reflect the time commitment to meet the responsibilities involved in the annual scheduled calendar, taking into account market rates for relevant organisations and market trends
- paying separate fees for additional responsibilities that may arise on an ad hoc basis
- delivering these fees in a form that is not contingent on Macquarie's performance
- setting a minimum shareholding requirement to align the interests of NEDs with MGL shareholders.

The Board ensures that MGL NED remuneration does not exceed the Macquarie shareholder approved maximum amount. Shareholders approved the current limit ($A5.0 million in aggregate per annum) at MGL's 2019 AGM. Where MGL NEDs are also members of the MBL Board, their fees include those payable for acting as a director of MBL.

Board and Board Committee fees are reviewed annually.[41] NED remuneration has been reviewed in the context of external market factors, including trend and peer analysis of Australian and international comparator groups. Having regard to this analysis, given the breadth and scale of Macquarie's business, increase in regulatory responsibilities and overall time commitment required of NEDs, the Board determined to increase the aggregate MGL and MBL Board member base fees from $A275,000 to $A284,000, and increase Board Committee member fees (excluding for the Board Nominating Committee (BNC)) from $A37,000 to $A39,000. The combined MGL and MBL annual Board Chair fee was increased from $A935,000 to $A964,000. The fee increases were effective from 1 July 2024.

Board base and Board Committee member fees were last increased in July 2021. Over the five-year period from FY2020-FY2025, the compound annual growth rate (CAGR) of the average non-Chair Board member remuneration was approximately 1.8% and the CAGR of the Board Chair's remuneration was approximately 1.6%.

The CEO is not remunerated separately for acting as an Executive Voting Director.

Unlike Macquarie executives, NEDs are not granted equity, nor are they eligible to receive profit share payments. There are no termination payments to NEDs on their retirement from office other than payments relating to their accrued superannuation contributions comprising part of their remuneration, if any.

NEDs may elect to receive their remuneration, in part, in the form of superannuation contributions over and above the minimum level of contribution required under applicable legislation.

Minimum shareholding requirement for Non-Executive Directors

To align the interests of the Board with shareholders, the Board has a minimum shareholding requirement for MGL NEDs to have a meaningful direct shareholding in Macquarie.

The minimum shareholding requirement for:

- **NEDs other than the Chair:** an investment equivalent to one times the average annual aggregate NED fee for the financial year ending prior to their appointment. Where a MGL NED is also on the MBL Board, this calculation will reflect the aggregate fee for acting as a MGL NED and MBL NED
- **the Chair:** an investment equivalent to one times the annual Chair fee. Where the Chair is also the MBL Chair, this calculation will reflect the aggregate fee for the role of MGL Chair and MBL Chair.

The above requirements are to be met within three years from appointment with one third of the requirement to be held after one year, two thirds after two years and in full after three years.

Under Macquarie's *Trading Policy*, NEDs may only trade Macquarie securities during designated trading windows and are prohibited from hedging shares held to meet this minimum shareholding requirement. Each NED's current holding of MGL ordinary shares is included on page 146.

The annual Board and Board Committee fees are set out in the table below.

Annual Director Fees[42]	Chair $A[43]	Member $A
Board	964,000	284,000
Board Audit Committee (BAC)	80,000	39,000
Board Governance and Compliance Committee (BGCC)	80,000	39,000
Board Remuneration Committee (BRC)	80,000	39,000
Board Risk Committee (BRiC)	80,000	39,000
Board Nominating Committee (BNC)	n/a	18,500

41 MGL has five standing Board Committees.
42 Where applicable, annual director fees include all fees payable by MGL to a NED for acting as a director of MGL and MBL, including attending and participating in any board committee meetings.
43 The Chair of the Board does not receive Board Committee membership fees.

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Appendix 1: Key Management Personnel (KMP) for FY2025

All the individuals listed below have been determined to be KMP for FY2025 for the purposes of the Act and as defined by AASB 124 *Related Party Disclosures*. KMP include Executive Voting Directors and executives with authority and responsibility for planning, directing and controlling the activities of MGL and its controlled entities (together making Executive KMP) and NEDs. MGL's NEDs are required by the Act to be included as KMP for the purposes of disclosures in the Remuneration Report. However, the NEDs do not consider themselves part of management.

Name	Position	Term as KMP for FY2025
Executive Voting Director		
Shemara R Wikramanayake	Managing Director and CEO of MGL	Full year
Non-Executive Directors		
Jillian R Broadbent AC	Independent Director	Full year
Philip M Coffey	Independent Director	Full year
Michelle A Hinchliffe	Independent Director	Full year
Susan J Lloyd-Hurwitz	Independent Director	Full year
Rebecca J McGrath	Independent Director	Full year
Mike Roche	Independent Director	Full year
Glenn R Stevens AC	Independent Chair	Full year
Executives[44]		
Evie N Bruce	GGC and Head of LGG	Full year
Andrew F Cassidy	CRO and Head of RMG	Full year
Stuart D Green	Managing Director and CEO of MBL	Full year
Alex H Harvey	CFO and Head of FPE	Full year
Michael J Silverton	Head of Macquarie Capital	Full year
Nicole G Sorbara	COO and Head of COG	Full year
Greg C Ward	Deputy Managing Director of MGL and Head of BFS	Full year
Ben I Way	Head of MAM	Full year
Simon L Wright	Head of CGM	Full year

[44] Except where otherwise indicated, all of the executives as well as the CEO were members of the Executive Committee as at 9 May 2025. Simon Wright, Head of CGM, was appointed to the Executive Committee on 1 April 2024.

Appendix 2: Executive KMP remuneration disclosure (in accordance with Australian Accounting Standards)

			SHORT-TERM EMPLOYEE BENEFITS		
Name	Position	Year	Salary (including superannuation) $A	Performance related remuneration $A	Total short-term employee benefits $A
Executive Voting Director					
Shemara R Wikramanayake	Managing Director and CEO of MGL	**2025**	**1,526,819**	**6,750,000**	**8,276,819**
		2024	1,527,224	7,125,000	8,652,224
Executives					
Evie N Bruce	GGC and Head of LGG	**2025**	**1,120,158**	**1,625,000**	**2,745,158**
		2024	1,120,562	1,500,000	2,620,562
Andrew F Cassidy	CRO and Head of RMG	**2025**	**1,120,158**	**3,195,000**	**4,315,158**
		2024	1,120,562	2,800,000	3,920,562
Stuart D Green	Managing Director and CEO of MBL	**2025**	**1,326,526**	**1,548,000**	**2,874,526**
		2024	1,323,893	1,500,000	2,823,893
Alex H Harvey	CFO and Head of FPE	**2025**	**1,120,158**	**3,562,500**	**4,682,658**
		2024	1,120,562	3,400,000	4,520,562
Michael J Silverton[45]	Head of Macquarie Capital	**2025**	**1,227,475**	**4,172,000**	**5,399,475**
		2024	1,198,965	5,250,000	6,448,965
Nicole G Sorbara	COO and Head of COG	**2025**	**1,120,158**	**3,372,500**	**4,492,658**
		2024	1,120,562	3,400,000	4,520,562
Greg C Ward	Deputy Managing Director of MGL and Head of BFS	**2025**	**1,120,158**	**5,250,000**	**6,370,158**
		2024	1,120,562	5,000,000	6,120,562
Ben I Way[46]	Head of MAM	**2025**	**1,241,348**	**3,450,000**	**4,691,348**
		2024	1,330,435	5,000,000	6,330,435
Total Remuneration – Comparable Executive KMP		**2025**	**10,922,958**	**32,925,000**	**43,847,958**
		2024	10,983,327	34,975,000	45,958,327
New and Former Executives					
Nick O'Kane[47]	Former Head of CGM	**2025**	**–**	**–**	**–**
		2024	1,019,528	–	1,019,528
Simon L Wright[48]	Head of CGM	**2025**	**1,120,158**	**10,806,250**	**11,926,408**
			–	–	–
Total Remuneration - Executive KMP (including new and former Executives)		**2025**	**12,043,116**	**43,731,250**	**55,774,366**
		2024	12,002,855	34,975,000	46,977,855

45 Mr Silverton is paid in US dollars. As a US tax resident, Mr Silverton's remuneration is subject to US social security and Medicare taxes, payable by Macquarie. Amounts of $A189,509 and $A213,025 were paid during FY2024 and FY2025, respectively, and are not included in Mr Silverton's statutory remuneration.

46 Prior to his relocation from the US to Hong Kong, Mr Way was paid in US dollars. As a US tax resident, Mr Way's remuneration was subject to US social security and Medicare taxes, payable by Macquarie. Amounts of $A132,130 and $A143,673 were paid during FY2024 and FY2025, respectively, and are not included in Mr Way's statutory remuneration. Based on Mr Way's participation in Macquarie's carried interest arrangements, a carried interest expense attributable to Mr Way of $A4.9 million has been included in Mr Way's FY2025 statutory remuneration. This amount is included in "other long-term employee benefits". The carried interest expense is calculated based on accounting principles relating to employee benefits, whereas Mr Way's $A3.2 million estimated carried interest entitlement, referred to on page 128, is determined as a percentage of the performance fee income accrued during the year.

47 Mr O'Kane ceased to be a member of the Executive Committee on 27 February 2024 and resigned from Macquarie effective 18 March 2024. In compliance with Macquarie's standard remuneration arrangements and as a result of his resignation, Mr O'Kane forfeited his unvested retained profit share and unvested PSUs. In accordance with accounting requirements this resulted in a net reversal of previously recognised remuneration expense consisting of $A10.3 million for forfeited retention notionally invested in Macquarie-managed fund equity and $A33.4 million of amortisation for forfeited equity awards during FY2024.

48 Mr Wright was appointed to the Executive Committee on 1 April 2024.

LONG-TERM EMPLOYEE BENEFITS			SHARE BASED PAYMENTS				
Restricted profit share $A	Other long-term employee benefits $A	Total long-term employee benefits $A	Equity awards $A	PSUs $A	Total share-based payments $A	Total remuneration $A	Percentage of remuneration that consists of PSUs %
1,575,000	**806,386**	**2,381,386**	**17,292,293**	**1,322,563**	**18,614,856**	**29,273,061**	**5%**
1,662,500	1,785,358	3,447,858	16,179,390	1,091,832	17,271,222	29,371,304	4%
162,500	**30,984**	**193,484**	**962,512**	**1,544,102**	**2,506,614**	**5,445,256**	**28%**
150,000	21,083	171,083	680,276	1,168,968	1,849,244	4,640,889	25%
319,500	**61,640**	**381,140**	**1,848,891**	**1,738,319**	**3,587,210**	**8,283,508**	**21%**
280,000	57,094	337,094	1,323,780	1,363,717	2,687,497	6,945,153	20%
232,200	**58,741**	**290,941**	**1,619,916**	**1,583,505**	**3,203,421**	**6,368,888**	**25%**
225,000	69,930	294,930	1,295,980	1,276,407	2,572,387	5,691,210	22%
356,250	**157,432**	**513,682**	**3,845,735**	**1,064,412**	**4,910,147**	**10,106,487**	**11%**
340,000	275,651	615,651	3,895,780	1,100,275	4,996,055	10,132,268	11%
625,800	**226,412**	**852,212**	**5,626,084**	**1,078,347**	**6,704,431**	**12,956,118**	**8%**
525,000	342,859	867,859	5,098,054	830,053	5,928,107	13,244,931	6%
337,250	**157,172**	**494,422**	**3,812,599**	**1,064,412**	**4,877,011**	**9,864,091**	**11%**
340,000	276,976	616,976	3,907,448	1,100,275	5,007,723	10,145,261	11%
1,050,000	**419,694**	**1,469,694**	**4,677,467**	**1,078,347**	**5,755,814**	**13,595,666**	**8%**
1,000,000	741,822	1,741,822	4,684,026	838,734	5,522,760	13,385,144	6%
4,025,000	**6,746,103**	**10,771,103**	**3,367,382**	**1,738,319**	**5,105,701**	**20,568,152**	**8%**
2,500,000	2,971,001	5,471,001	2,787,411	1,363,717	4,151,128	15,952,564	9%
8,683,500	**8,664,564**	**17,348,064**	**43,052,879**	**12,212,326**	**55,265,205**	**116,461,227**	
7,022,500	6,541,774	13,564,274	39,852,145	10,133,978	49,986,123	109,508,724	
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(10,281,020)	297,845	(9,983,175)	(29,037,486)	(4,315,830)	(33,353,316)	(42,316,963)	10%
1,080,625	**13,206**	**1,093,831**	**6,768,179**	**345,465**	**7,113,644**	**20,133,883**	**2%**
-	-	-	-	-	-	-	-
9,764,125	**8,677,770**	**18,441,895**	**49,821,058**	**12,557,791**	**62,378,849**	**136,595,110**	
(3,258,520)	6,839,619	3,581,099	10,814,659	5,818,148	16,632,807	67,191,761	

Additional information regarding the statutory remuneration disclosures set out in this Appendix

The remuneration disclosures set out in this Appendix have been prepared in accordance with Australian Accounting Standards and differ to the additional disclosures set out on pages 126-135.

Under the requirements of AASB 124 *Related Party Disclosures*, the remuneration disclosures for the years ended 31 March 2025 and 31 March 2024 only include remuneration relating to the portion of the relevant periods that each person was an Executive KMP.

The following information provides more detail regarding some of the column headings in this Appendix:

1. Short-term employee benefits:
   (a) Salary: includes salary, superannuation, any accrual for long service leave and other benefits
   (b) Performance-related remuneration: this represents the cash portion of each person's profit share allocation for the reporting period as an Executive KMP.
2. Long-term employee benefits:
   (a) Restricted profit share: this represents the amount of retained profit share awarded for the current period that is deferred to future periods and held as a notional investment in Macquarie-managed fund equity (DPS Plan).
   (b) Other long-term employee benefits represents:
   - Earnings on prior years' restricted profit share: Profit share amounts retained under the DPS Plan are notionally invested in Macquarie-managed funds, providing Executive Directors with an economic exposure to the underlying investments. Executive Directors are each entitled to amounts equivalent to the investment earnings (dividends/distributions and security price appreciation) on the underlying securities. The notional returns are calculated based on Total Shareholder Return. Where these amounts are positive, they may be paid to Executive Directors and are included in these remuneration disclosures as part of 'Other long-term employee benefits'. If there is a notional loss, this loss will be offset against any future notional income until the loss is completely offset and is reported as a negative amount in the same column. These earnings reflect the investment performance of the assets in which prior years' retained amounts have been notionally invested. Their inclusion in the individual remuneration disclosures on the previous pages may, therefore, cause distortions when year-on-year remuneration trends are examined. They do not reflect remuneration review decisions made about the individual's current year performance.
   - Accrued performance fees under carried interest arrangements: Individuals with funds responsibilities may receive a portion of their deferred performance-based remuneration as an entitlement to a share of future performance fees paid by Macquarie-managed funds. Remuneration expense is recognised, on a fund-by-fund basis, reflecting the present value of expected cash outflows and adjusted in accordance with the employee's period of service relative to the expected fund life. Individuals will not receive their accrued entitlements until Macquarie has received performance fees towards the end of a fund's life.
3. Share-based payments:
   (a) Equity awards including shares: This represents the current year expense for retained profit share that is invested in MGL ordinary shares under the MEREP as described on page 111. This is recognised as an expense over the respective vesting periods, or service period if shorter, as described on page 110 and includes amounts relating to prior years equity awards that have been previously disclosed. Equity awards in respect of FY2025 performance will be granted during FY2026; however, Macquarie begins recognising an expense for these awards (based on an initial estimate) from 1 April 2024. The expense is estimated using the price of MGL ordinary shares as at 31 March 2025 and the number of equity awards expected to vest. In the following financial year, Macquarie will adjust the accumulated expense recognised for the final determination of the accounting fair value for each equity award when granted and will use this validation for recognising the expense over the remaining vesting period.
   (b) PSUs: This represents the current year expense for PSUs that is recognised over the vesting period as described on page 113. This includes amounts relating to prior years' PSU awards. PSU awards in respect of FY2025 will be granted during FY2026; however, Macquarie begins recognising an expense for these awards (based on an initial estimate) from 1 April 2024. The expense is estimated using the price of MGL ordinary shares as at 31 March 2025 and the number of PSUs expected to vest. The estimate also incorporates an interest rate to maturity of 3.91% per annum (3.98% for grants to the CEO and the MBL CEO), expected vesting date of 1 July 2029 (1 July 2030 for the CEO and the MBL CEO), and a dividend yield of 3.62% per annum. In the following financial year, Macquarie will adjust the accumulated expense recognised for the final determination of the accounting fair value for each PSU when granted and will use this validation for recognising the expense over the remaining vesting period. Performance hurdles attached to the PSUs allow for PSUs to become exercisable upon vesting only when the relevant performance hurdles are met. The current year expense is reduced for previously recognised remuneration expense where performance hurdles have not been met, have been partially met or are not expected to be met.

Appendix 3: Non-Executive Director remuneration

The remuneration arrangements for all the persons listed below as NEDs are described on page 139 of the Remuneration Report. The fees shown include fees paid as members of both the Board and MBL Board.

	Year	Fees $A	Other benefits[49] $A	Total remuneration $A
Jillian R Broadbent AC[50]	**2025**	**418,750**	**–**	**418,750**
	2024	398,565	–	398,565
Philip M Coffey	**2025**	**418,750**	**–**	**418,750**
	2024	410,500	–	410,500
Michelle A Hinchliffe	**2025**	**418,750**	**6,500**	**425,250**
	2024	410,500	–	410,500
Susan J Lloyd-Hurwitz[51]	**2025**	**377,250**	**–**	**377,250**
	2024	294,712	–	294,712
Rebecca J McGrath[52]	**2025**	**418,750**	**–**	**418,750**
	2024	408,565	–	408,565
Mike Roche	**2025**	**415,750**	**–**	**415,750**
	2024	404,500	–	404,500
Glenn R Stevens AC	**2025**	**956,750**	**–**	**956,750**
	2024	935,000	–	935,000
Nicola M Wakefield Evans AM[53]	**2025**	**-**	**–**	**-**
	2024	340,700	–	340,700
Total Remuneration – Non-Executive KMP	**2025**	**3,424,750**	**6,500**	**3,431,250**
	2024	3,603,042	–	3,603,042

49 Other benefits for NEDs include due diligence fees paid to Ms Hinchliffe of A$6,500 in FY2025 (FY2024: no other benefits were paid).
50 Ms Broadbent became a member of the BRiC on 28 July 2023.
51 Ms Lloyd-Hurwitz was appointed to the Board and MBL Board as an Independent Voting Director on 1 June 2023 and 28 July 2023, respectively. She became a member of the BNC on 1 June 2023, and a member of the BAC and BRC on 28 July 2023.
52 Ms McGrath ceased to be a member of the BRC and was appointed Chair of the BGCC on 28 July 2023.
53 Ms Wakefield Evans ceased to be a member of the MGL and MBL Boards on 29 February 2024 and 27 July 2023, respectively. She ceased to be Chair of the BGCC and a member of the BRiC on 27 July 2023.

Appendix 4: Share disclosures

Shareholdings of KMP and their related parties

The following table sets out details of MGL ordinary shares held during the financial year by KMP including their related parties.

Name and position	Number of shares held at 1 April 2024[54]	Shares received on withdrawal from the MEREP[55]	Other changes[56]	Number of shares held at 31 March 2025[57,58]
Executive Voting Director				
Shemara R Wikramanayake	1,175,897	92,684	15,360	**1,283,941**
Non-Executive Directors				
Jillian R Broadbent AC	16,062	–	–	**16,062**
Philip M Coffey	8,895	–	–	**8,895**
Michelle A Hinchliffe	2,800	–	–	**2,800**
Susan J Lloyd-Hurwitz	880	–	268	**1,148**
Rebecca J McGrath	3,817	–	–	**3,817**
Mike Roche	7,000	–	–	**7,000**
Glenn R Stevens AC	5,847	–	–	**5,847**
Executives				
Evie N Bruce	–	315	(315)	**–**
Andrew F Cassidy	18	2,970	(2,970)	**18**
Stuart D Green	232	5,331	(5,331)	**232**
Alex H Harvey	30,708	35,018	(65,726)	**–**
Michael J Silverton	17,811	28,697	(41,846)	**4,662**
Nicole G Sorbara	9,384	36,109	(36,109)	**9,384**
Greg C Ward	–	47,146	(47,146)	**–**
Ben I Way	5,443	9,685	(5,960)	**9,168**
Simon L Wright	55	32,715	(32,715)	**55**

54 Or date of appointment if later.
55 For RSUs, this represents RSUs vesting during the current financial year. For DSUs and PSUs, this represents vested DSUs and PSUs exercised during the current financial year.
56 Includes on and off market acquisitions and disposals.
57 Or date of ceasing to be a KMP if earlier.
58 In addition to the MGL ordinary shares set out in this table, Executive KMP also hold an interest in MGL ordinary shares through the MEREP, as set out in the table on page 151.

RSU and DSU awards to KMP

The following table sets out details of the RSU and DSU awards associated with Macquarie equity granted to Executive KMP. Grants made to Executive KMP prior to their joining the Executive Committee are not disclosed. PSUs are disclosed in a separate table.

A significant portion of an Executive KMP's retained profit share is invested in Macquarie equity, delivered as RSUs or DSUs. RSUs are units comprising a beneficial interest in MGL ordinary shares held in a trust for the staff member. DSUs are structured to provide the holder with the same benefits and risks of RSU holders. For further details, refer to Note 32 *Employee equity participation* to the financial statements in the Financial Report. There have been no alterations to the terms or conditions of the grants set out below since the grant date.

RSU and DSU awards are subject to forfeiture as set out on page 111. The maximum potential value of unvested awards could vary significantly and is dependent on the MGL ordinary share price at the time of vesting. Retention rates, the vesting profiles and service and performance criteria for the current year are set out on pages 108-112. RSUs and DSUs are granted in the financial year following the year of Macquarie's performance to which the grant relates. For example, RSUs and DSUs granted to KMP in June 2024 relate to their performance in FY2024. All awards that were eligible to vest, vested during the year. No awards were forfeited during the year.

Name and position	RSU/DSU awards granted to date[59]	Grant date	Number vested/exercised during the year[59,60]
Executive Voting Director			
Shemara R Wikramanayake	**78,116**	**01-Aug-24**	**–**
	128,592	01-Aug-23	–
	106,628	02-Aug-22	–
	94,193	03-Aug-21	18,838
	139,266	04-Aug-20	27,853
	65,003	15-Aug-19	13,000
	49,162	21-Jun-18	9,832
	49,025	22-Jun-17	9,805
Executives			
Evie N Bruce	**7,048**	**19-Jun-24**	**–**
	8,740	21-Jun-23	–
	2,094	21-Jun-22	–
Andrew F Cassidy	**13,156**	**19-Jun-24**	**–**
	13,562	21-Jun-23	–
	7,997	21-Jun-22	–
Stuart D Green	**10,572**	**19-Jun-24**	**–**
	10,548	21-Jun-23	–
	7,837	21-Jun-22	–
Alex H Harvey	**15,975**	**19-Jun-24**	**–**
	24,111	21-Jun-23	–
	23,191	21-Jun-22	–
	21,709	09-Jun-21	4,341
	45,661	09-Jun-20	9,132
	25,945	24-Jun-19	5,189
	27,009	21-Jun-18	5,401
Michael J Silverton	**24,406**	**19-Jun-24**	**–**
	29,912	21-Jun-23	–
	54,263	21-Jun-22	–
	21,836	09-Jun-21	4,367
	37,375	09-Jun-20	7,475
	37,138	24-Jun-19	7,427

59 Or during the period that the individual was a KMP.
60 For RSUs, this represents RSUs vesting during the current financial year in respect of grants made while a KMP. For DSUs, this represents vested DSUs exercised during the current financial year in respect of grants made while a KMP. Grants made prior to individuals becoming a KMP are not disclosed.

Name and position	RSU/DSU awards granted to date[59]	Grant date	Number vested/exercised during the year[59,60]
Nicole G Sorbara	**15,975**	**19-Jun-24**	**–**
	24,111	21-Jun-23	–
	23,191	21-Jun-22	–
	21,709	09-Jun-21	4,341
	45,661	09-Jun-20	9,132
	25,945	24-Jun-19	5,189
	27,009	21-Jun-18	5,401
	26,967	22-Jun-17	5,395
Greg C Ward	**20,883**	**19-Jun-24**	**–**
	26,790	21-Jun-23	–
	25,590	21-Jun-22	–
	25,466	09-Jun-21	5,093
	57,499	09-Jun-20	11,499
	31,618	24-Jun-19	6,323
	33,211	21-Jun-18	6,642
	40,801	22-Jun-17	8,161
Ben I Way	**12,913**	**19-Jun-24**	**–**
	27,155	21-Jun-23	–
	26,863	21-Jun-22	–
	8,877	09-Jun-21	1,775
Simon L Wright	**38,425**	**19-Jun-24**	**–**

PSU awards to KMP

The following table sets out details of PSU awards granted to Executive KMP.

	GRANTED TO DATE				FORFEITED/LAPSED DURING THE FINANCIAL YEAR[61]			EXERCISED DURING THE FINANCIAL YEAR[61]	
Name and position	Number	Date	Accounting Fair Value $A[62]	Face Value $A[63]	Number	%	Value $A[64]	Number exercised	Value $A[65]
Executive Voting Director									
Shemara R Wikramanayake	**19,065**	**01-Aug-24**	**3,343,810**	**4,028,625**	**–**	**–**	**–**	**–**	**–**
	22,535	01-Aug-23	3,418,560	3,999,963	–	–	–	–	–
	22,363	02-Aug-22	3,500,704	3,999,846	–	–	–	–	–
	20,278	03-Aug-21	2,718,063	3,164,585	–	–	–	–	–
	32,575	04-Aug-20	3,423,307	4,079,693	19,219	59%	3,933,937	13,356	2,765,360
Executives									
Evie N Bruce	**13,346**	**01-Aug-24**	**2,429,506**	**2,820,143**	**–**	**–**	**–**	**–**	**–**
	15,774	01-Aug-23	2,392,916	2,799,885	–	–	–	–	–
	7,827	02-Aug-22	1,225,239	1,399,937	–	–	–	–	–
Andrew F Cassidy	**13,346**	**01-Aug-24**	**2,429,506**	**2,820,143**	**–**	**–**	**–**	**–**	**–**
	15,774	01-Aug-23	2,392,916	2,799,885	–	–	–	–	–
	15,654	02-Aug-22	2,450,477	2,799,874	–	–	–	–	–
Stuart D Green	**13,346**	**01-Aug-24**	**2,340,755**	**2,820,143**	**–**	**–**	**–**	**–**	**–**
	15,774	01-Aug-23	2,392,916	2,799,885	–	–	–	–	–
	15,654	02-Aug-22	2,450,477	2,799,874	–	–	–	–	–
Alex H Harvey	**13,346**	**01-Aug-24**	**2,429,506**	**2,820,143**	**–**	**–**	**–**	**–**	**–**
	15,774	01-Aug-23	2,392,916	2,799,885	–	–	–	–	–
	15,654	02-Aug-22	2,450,477	2,799,874	–	–	–	–	–
	14,195	03-Aug-21	1,902,698	2,215,272	–	–	–	–	–
	16,223	04-Aug-20	1,704,875	2,031,769	9,572	59%	1,959,293	6,651	1,348,418
Michael J Silverton	**13,346**	**01-Aug-24**	**2,429,506**	**2,820,143**	**–**	**–**	**–**	**–**	**–**
	15,774	01-Aug-23	2,392,916	2,799,885	–	–	–	–	–
	15,654	02-Aug-22	2,450,477	2,799,874	–	–	–	–	–
	14,195	03-Aug-21	1,902,698	2,215,272	–	–	–	–	–
	22,994	04-Aug-20	2,416,439	2,879,769	13,566	59%	2,776,825	9,428	1,914,706
Nicole G Sorbara	**13,346**	**01-Aug-24**	**2,429,506**	**2,820,143**	**–**	**–**	**–**	**–**	**–**
	15,774	01-Aug-23	2,392,916	2,799,885	–	–	–	–	–
	15,654	02-Aug-22	2,450,477	2,799,874	–	–	–	–	–
	14,195	03-Aug-21	1,902,698	2,215,272	–	–	–	–	–
	16,223	04-Aug-20	1,704,875	2,031,769	9,572	59%	1,959,293	6,651	1,340,114
Greg C Ward	**13,346**	**01-Aug-24**	**2,429,506**	**2,820,143**	**–**	**–**	**–**	**–**	**–**
	15,774	01-Aug-23	2,392,916	2,799,885	–	–	–	–	–
	15,654	02-Aug-22	2,450,477	2,799,874	–	–	–	–	–
	14,195	03-Aug-21	1,902,698	2,215,272	–	–	–	–	–
	22,994	04-Aug-20	2,416,439	2,879,769	13,566	59%	2,776,825	9,428	1,929,491
Ben I Way	**13,346**	**01-Aug-24**	**2,429,506**	**2,820,143**	**–**	**–**	**–**	**–**	**–**
	15,774	01-Aug-23	2,392,916	2,799,885					
	15,654	02-Aug-22	2,450,477	2,799,874	–	–	–	–	–

61 Or during the period for which the individual was a KMP if shorter.
62 Based on the accounting fair value on the date of grant.
63 Face value is calculated by multiplying the number of PSUs granted by the closing market price of MGL ordinary shares on the date of grant.
64 Based on the closing share price at 30 June 2024, being the day the PSUs were forfeited.
65 Based on the share price at the time of exercise.

As required under the Act, Macquarie has adopted the fair value measurement provisions of AASB 2 *Share-Based Payment* for all PSUs granted to KMP. The accounting fair value of such grants is being amortised and disclosed as part of each KMP's remuneration on a straight-line basis over the vesting period. The accounting fair value of $A182.04 ($A175.39 for the MGL and MBL CEOs) at this date has been estimated using a discounted cash flow method.

The following key assumptions were adopted in determining the value of the PSUs granted:

	MGL and MBL CEOs	Other KMP
Interest rate to maturity	3.89% per annum	3.87% per annum
Expected vesting dates	1 July 2029	1 July 2028
Dividend yield	3.69% per annum	3.69% per annum

PSUs have a nil exercise price. From FY2024 onwards, PSUs awarded to the MGL and MBL CEOs vest in five years and PSUs awarded to other KMP vest in four years as set out on page 113. PSUs awarded prior to FY2024 vest in four years as set out on page 136, footnote 39. For the 2024 grant, PSUs will vest on 1 July 2029 for the MGL and MBL CEOs and on 1 July 2028 for other KMP and expire on 1 August 2033.

MEREP awards of KMP and their related parties

The following tables set out details of the MEREP RSU, DSU and PSU awards held during the year for the KMP including their related parties.

Further details in relation to the MEREP RSU, DSU and PSU awards are disclosed in Note 32 *Employee equity participation* to the financial statements in the **Financial Report** of this Annual Report.

Name and position	Type of Award	Number of Awards held at 1 April 2024	Awards granted during the financial year[66]	Awards vested/ exercised during the financial year[67,68]	Awards forfeited or not able to be exercised during the financial year[69]	Number of Awards held as at 31 March 2025[70]
Executive Voting Director						
Shemara R Wikramanayake	RSU	509,300	78,116	(79,328)	–	**508,088**
	PSU	97,751	19,065	(13,356)	(19,219)	**84,241**
Executives						
Evie N Bruce	RSU	11,781	7,048	(315)	–	**18,514**
	PSU	23,601	13,346	–	–	**36,947**
Andrew F Cassidy	RSU	27,306	13,156	(2,970)	–	**37,492**
	PSU	31,428	13,346	–	–	**44,774**
Stuart D Green	RSU	34,022	10,572	(5,331)	–	**39,263**
	PSU	31,428	13,346	–	–	**44,774**
Alex H Harvey	RSU	136,217	15,975	(28,367)	–	**123,825**
	PSU	61,846	13,346	(6,651)	(9,572)	**58,969**
Michael J Silverton[71]	DSU	–	24,406	–	–	**24,406**
	RSU	158,195	–	(19,269)	–	**138,926**
	PSU	68,617	13,346	(9,428)	(13,566)	**58,969**
Nicole G Sorbara	RSU	137,308	15,975	(29,458)	–	**123,825**
	PSU	61,846	13,346	(6,651)	(9,572)	**58,969**
Greg C Ward	RSU	164,264	20,883	(37,718)	–	**147,429**
	PSU	68,617	13,346	(9,428)	(13,566)	**58,969**
Ben I Way[71]	DSU	–	12,913	–	–	**12,913**
	RSU	84,375	–	(9,685)	–	**74,690**
	PSU	31,428	13,346	–	–	**44,774**
Simon L Wright	RSU	167,110	38,425	(32,715)	–	**172,820**

66 RSU and DSU awards are granted in the financial year following the year of the Company's performance to which the grant relates. RSUs and DSUs disclosed as granted above relate to FY2024. PSUs are granted annually in August. RSU and PSU awards granted to the CEO, who is an Executive Voting Director, were approved by shareholders at the 2024 AGM as required under ASX Listing Rule 10.14.
67 For RSUs, this represents vested RSUs transferred to the Executive KMP's shareholding and includes RSUs vesting during the current year in respect of all grants, including those made prior to individuals becoming an Executive KMP. For DSUs, this represents DSUs exercised during the current year in respect of all grants, including those made prior to individuals becoming an Executive KMP.
68 There were no PSUs that vested during the year that were not exercised.
69 Or during the period for which the individual was a KMP if shorter.
70 Or date of ceasing to be a KMP if earlier.
71 DSUs are granted in jurisdictions where legal or tax rules make the grant of RSUs impractical. DSUs are structured to provide the holder with the same benefits and risks of RSU holders.

Appendix 5: Loan disclosures

Loans to Key Management Personnel and their related parties

Details of loans provided by Macquarie to KMP and their related parties are disclosed in the following table.

Name and Position	Balance as at 1 April 2024[72] $A'000	Interest charged $A'000	Write downs $A'000	Balance as at 31 March 2025[73] $A'000	Highest balance during the year $A'000
Non-Executive Directors					
Rebecca J McGrath (related party)	–	35	–	817	826
Executives					
Andrew F Cassidy	3,428	68	–	3,204	3,429
Alex H Harvey	7,500	245	–	10,359	10,359
Aggregate of KMP and related party loans[74]	10,928	348	–	14,380	14,614

This Remuneration Report has been prepared in accordance with the Act. The Remuneration Report contains disclosures as required by AASB 124 *Related Party Disclosures* as permitted by Corporations Regulation 2M.3.03 *Prescribed details.*

Throughout this Remuneration Report financial information for Macquarie relating to the years ended 31 March 2016 through to 31 March 2025 has been presented in accordance with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

72 Or date of appointment if later.
73 Or date of ceasing to be a KMP if earlier.
74 The aggregate of KMP and related party loans includes all loans to KMP (including their related parties) and the table above details KMP (including their related parties) with loans above $A100,000 during FY2025. All loans provided by Macquarie to KMP are made in the ordinary course of business on an arm's length basis and are entered into under normal terms and conditions consistent with other customers and employees. There have been no write-downs or allowances for doubtful debts.

Directors' Report

For the financial year ended 31 March 2025 continued

Non-audit services

Fees paid or payable to PwC, being the auditor of the Consolidated Entity, for non-audit services during the year ended 31 March 2025 total $A16.4 million (2024: $A14.3 million). Further details of amounts paid or payable to PwC and its related practices are disclosed in Note 41 *Audit and other services provided by PricewaterhouseCoopers* in the Financial Report.

The Voting Directors are satisfied that the provision of non-audit services did not compromise the auditor independence requirements of the Act for the following reasons:

- the operation of the Consolidated Entity's *Audit and Assurance Independence Policy*, restricts the external auditor from providing non-audit services under which the auditor assumes the role of management, becomes an advocate for the Consolidated Entity, audits its own professional expertise, or creates a mutual or conflicting interest between the auditor and the Consolidated Entity. The policy also provides that significant permissible or restricted non-audit assignments awarded to the external auditor must be approved in advance by the Board Audit Committee (BAC) or the BAC Chair, as appropriate
- the BAC has reviewed a summary of non-audit services provided by PwC, including details of the amounts paid or payable, and has provided written advice to the Board of Directors.

Consistent with the advice of the BAC, the Voting Directors are satisfied that the provision of non-audit services during the year by the auditor and its related practices is compatible with the general standard of independence for auditors imposed by the Act.

This report is made in accordance with a resolution of the Directors.

Glenn Stevens AC
Independent Director and Chair

Shemara Wikramanayake
Managing Director and Chief Executive Officer

Sydney
9 May 2025

Auditor's independence declaration

As lead auditor for the audit of Macquarie Group Limited for the year ended 31 March 2025, I declare that to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* (Cth) in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Macquarie Group Limited and the entities it controlled during the financial year.

Voula Papageorgiou
Partner
PricewaterhouseCoopers

Sydney
9 May 2025

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04

Financial Report

Futures, Sydney

Commodities and Global Markets' Sydney-based Futures team provides a full range of execution, clearing and financing solutions to corporate and institutional clients, providing continuous 24-hour coverage of major markets globally.

Contents

The Financial Report was authorised for issue by the Board of Directors on 9 May 2025.

The Board of Directors has the power to amend and reissue the Financial Report.

Income statements

For the financial year ended 31 March 2025

	Notes	CONSOLIDATED 2025 $m	CONSOLIDATED 2024 $m	COMPANY 2025 $m	COMPANY 2024 $m
Interest income	2	**18,136**	16,492	**2,522**	1,917
Interest expense	2	**(14,629)**	(13,033)	**(2,486)**	(1,883)
Net interest income		**3,507**	3,459	**36**	34
Net trading income/(loss)	2	**5,370**	5,448	**(156)**	(305)
Net interest and trading income/(loss)		**8,877**	8,907	**(120)**	(271)
Fee and commission income	2	**6,790**	6,249	**10**	7
Share of net profits/(losses) from associates and joint ventures	2	**167**	(49)	**–**	–
Net credit impairment (charges)/reversals	2	**(266)**	134	**(3)**	4
Net other impairment (charges)/reversals	2	**(95)**	235	**–**	–
Net other operating income	2	**1,735**	1,411	**2,227**	2,089
Net operating income		**17,208**	16,887	**2,114**	1,829
Employment expenses	2	**(7,660)**	(7,723)	**(4)**	(4)
Brokerage, commission and fee expenses	2	**(1,206)**	(1,071)	**–**	–
Non-salary technology expenses	2	**(1,200)**	(1,163)	**–**	–
Other operating expenses	2	**(2,074)**	(2,104)	**(8)**	(2)
Total operating expenses		**(12,140)**	(12,061)	**(12)**	(6)
Operating profit before income tax		**5,068**	4,826	**2,102**	1,823
Income tax (expense)/benefit	4	**(1,326)**	(1,291)	**7**	76
Profit after income tax		**3,742**	3,535	**2,109**	1,899
Profit attributable to non-controlling interests		**(27)**	(13)	**–**	–
Profit attributable to the ordinary equity holders of Macquarie Group Limited		**3,715**	3,522	**2,109**	1,899
		Cents	Cents	**Cents**	Cents
Basic earnings per share	6	**979.4**	916.6	**–**	–
Diluted earnings per share	6	**975.5**	911.4	**–**	–

The above income statements should be read in conjunction with the accompanying notes.

Statements of comprehensive income

For the financial year ended 31 March 2025

		CONSOLIDATED		COMPANY	
		2025	2024	**2025**	2024
	Notes	**$m**	$m	**$m**	$m
Profit after income tax		**3,742**	3,535	**2,109**	1,899
Other comprehensive income/(loss)[1]					
Movements in items that may be subsequently reclassified to the income statement					
Fair value through other comprehensive income (FVOCI) reserve:					
Revaluation movement	28	**(27)**	(8)	**2**	1
Changes in expected credit losses (ECL) allowance	28	**(11)**	(24)	**–**	–
Cash flow hedge reserves:					
Revaluation movement	28	**69**	(41)	**1**	(14)
Transferred to income statement on realisation	28	**26**	42	**9**	14
Cost of hedging reserves:					
Revaluation movement	28	**9**	(55)	**–**	–
Transferred to income statement on realisation	28	**12**	13	**–**	–
Share of other comprehensive income from associates and joint ventures	28	**(47)**	22	**–**	–
Foreign exchange movement on translation and hedge accounting of foreign operations		**834**	447	**–**	–
Movements in items that will not be subsequently reclassified to the income statement					
Fair value changes attributable to own credit risk on debt designated at fair value through profit or loss (DFVTPL)	28	**(12)**	(44)	**(10)**	(35)
Others		**4**	(2)	**–**	–
Total other comprehensive income/(loss)		**857**	350	**2**	(34)
Total comprehensive income		**4,599**	3,885	**2,111**	1,865
Total comprehensive income attributable to non-controlling interests		**(40)**	(20)	**–**	–
Total comprehensive income attributable to the ordinary equity holders of Macquarie Group Limited		**4,559**	3,865	**2,111**	1,865

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

[1] All items are net of tax, where applicable.

Statements of financial position

As at 31 March 2025

		CONSOLIDATED		COMPANY	
		2025	2024	**2025**	2024
	Notes	**$m**	$m	**$m**	$m
Assets					
Cash and bank balances		**26,385**	31,855	**–**	–
Cash collateralised lending and reverse repurchase agreements		**66,579**	58,416	**–**	–
Trading assets	7	**35,036**	27,924	**–**	–
Margin money and settlement assets	8	**26,620**	24,117	**–**	–
Derivative assets	9	**24,269**	24,067	**–**	1
Financial investments	10	**21,455**	24,378	**1,106**	1,763
Held for sale assets	11	**6,612**	2,204	**–**	–
Other assets	11	**14,213**	12,638	**26**	22
Loan assets	12	**205,648**	176,371	**–**	–
Due from subsidiaries	30	**–**	–	**50,444**	49,712
Interests in associates and joint ventures	14	**7,720**	6,969	**–**	–
Property, plant and equipment and right-of-use assets	15	**6,928**	8,134	**–**	–
Intangible assets	16	**1,671**	4,254	**–**	–
Investments in subsidiaries	17	**–**	–	**33,395**	33,805
Deferred tax assets	18	**2,085**	2,077	**37**	41
Total assets		**445,221**	403,404	**85,008**	85,344
Liabilities					
Deposits	19	**177,671**	148,416	**–**	–
Cash collateralised borrowing and repurchase agreements		**4,933**	12,599	**–**	–
Trading liabilities	20	**5,851**	5,044	**–**	–
Margin money and settlement liabilities	21	**28,845**	28,423	**–**	–
Derivative liabilities	22	**23,368**	25,585	**10**	5
Held for sale liabilities	23	**1,946**	407	**–**	–
Other liabilities	23	**14,973**	14,472	**281**	169
Due to subsidiaries	30	**–**	–	**6,691**	7,257
Issued debt securities and other borrowings	24	**135,172**	119,878	**43,306**	43,135
Deferred tax liabilities	18	**272**	383	**–**	–
Total liabilities excluding loan capital		**393,031**	355,207	**50,288**	50,566
Loan capital	26	**16,401**	14,201	**3,857**	3,371
Total liabilities		**409,432**	369,408	**54,145**	53,937
Net assets		**35,789**	33,996	**30,863**	31,407
Equity					
Contributed equity	27	**11,070**	11,372	**13,480**	13,809
Reserves	28	**4,829**	3,891	**1,863**	1,744
Retained earnings	28	**19,457**	18,218	**15,520**	15,854
Total capital and reserves attributable to the ordinary equity holders of Macquarie Group Limited		**35,356**	33,481	**30,863**	31,407
Non-controlling interests	28	**433**	515	**–**	–
Total equity		**35,789**	33,996	**30,863**	31,407

The above statements of financial position should be read in conjunction with the accompanying notes.

Statements of changes in equity

For the financial year ended 31 March 2025

	Notes	Contributed Equity $m	Reserves $m	Retained earnings $m	Total $m	Non-controlling interests $m	Total equity $m
							CONSOLIDATED
Balance as at 1 Apr 2023		12,407	3,302	17,446	33,155	951	34,106
Profit after income tax		–	–	3,522	3,522	13	3,535
Other comprehensive income, net of tax		–	389	(46)	343	7	350
Total comprehensive income		–	389	3,476	3,865	20	3,885
Transactions with equity holders in their capacity as ordinary equity holders:							
Dividends paid	5, 28	–	–	(2,716)	(2,716)	–	(2,716)
Purchase of shares by MEREP Trust	27	(1,028)	–	–	(1,028)	–	(1,028)
On-market share buyback	27	(644)	–	–	(644)	–	(644)
Movement in non-controlling interests		–	–	4	4	(456)	(452)
Other equity movements:							
MEREP share-based payment arrangements	27, 28	607	184	8	799	–	799
Deferred tax benefit on MEREP share-based payment arrangements	27, 28	30	16	–	46	–	46
		(1,035)	200	(2,704)	(3,539)	(456)	(3,995)
Balance as at 31 Mar 2024		**11,372**	**3,891**	**18,218**	**33,481**	**515**	**33,996**
Profit after income tax		**–**	**–**	**3,715**	**3,715**	**27**	**3,742**
Other comprehensive income, net of tax		**–**	**852**	**(8)**	**844**	**13**	**857**
Total comprehensive income		**–**	**852**	**3,707**	**4,559**	**40**	**4,599**
Transactions with equity holders in their capacity as ordinary equity holders:							
Dividends paid	5, 28	**–**	**–**	**(2,452)**	**(2,452)**	**–**	**(2,452)**
Purchase of shares by MEREP Trust	27	**(667)**	**–**	**–**	**(667)**	**–**	**(667)**
On-market share buyback	27	**(369)**	**–**	**–**	**(369)**	**–**	**(369)**
Movement in non-controlling interests		**–**	**–**	**(19)**	**(19)**	**(122)**	**(141)**
Other equity movements:							
MEREP share-based payment arrangements	27, 28	**705**	**109**	**3**	**817**	**–**	**817**
Deferred tax benefit on MEREP share-based payment arrangements	27, 28	**29**	**(23)**	**–**	**6**	**–**	**6**
		(302)	**86**	**(2,468)**	**(2,684)**	**(122)**	**(2,806)**
Balance as at 31 Mar 2025		**11,070**	**4,829**	**19,457**	**35,356**	**433**	**35,789**

	Notes	Contributed Equity $m	Reserves $m	Retained earnings $m	Total equity $m
					COMPANY
Balance as at 1 Apr 2023		14,872	1,559	16,677	33,108
Profit after income tax		–	–	1,899	1,899
Other comprehensive income, net of tax		–	1	(35)	(34)
Total comprehensive income		–	1	1,864	1,865
Transactions with equity holders in their capacity as ordinary equity holders:					
Dividends paid	5, 28	–	–	(2,695)	(2,695)
Purchase of shares by MEREP Trust	27	(1,028)	–	–	(1,028)
On-market share buyback	27	(644)	–	–	(644)
Other equity movements:					
MEREP share-based payment arrangements	27, 28	607	184	8	799
Deferred tax benefit on MEREP share-based payment arrangements	27, 28	2	–	–	2
		(1,063)	184	(2,687)	(3,566)
Balance as at 31 Mar 2024		**13,809**	**1,744**	**15,854**	**31,407**
Profit after income tax		**–**	**–**	**2,109**	**2,109**
Other comprehensive income, net of tax		**–**	**12**	**(10)**	**2**
Total comprehensive income		**–**	**12**	**2,099**	**2,111**
Transactions with equity holders in their capacity as ordinary equity holders:					
Dividends paid	5, 28	**–**	**–**	**(2,436)**	**(2,436)**
Purchase of shares by MEREP Trust	27	**(667)**	**–**	**–**	**(667)**
On-market share buyback	27	**(369)**	**–**	**–**	**(369)**
Other equity movements:					
MEREP share-based payment arrangements	27, 28	**705**	**109**	**3**	**817**
Deferred tax benefit on MEREP share-based payment arrangements	27, 28	**2**	**(2)**	**–**	**–**
		(329)	**107**	**(2,433)**	**(2,655)**
Balance as at 31 Mar 2025		**13,480**	**1,863**	**15,520**	**30,863**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of cash flows

For the financial year ended 31 March 2025

		CONSOLIDATED		COMPANY	
		2025	2024[1]	**2025**	2024[1]
	Notes	**$m**	$m	**$m**	$m
Cash flows generated from/(utilised in) operating activities					
Interest income and expense:					
Received		**18,118**	16,217	**2,526**	1,910
Paid		**(14,680)**	(12,601)	**(2,514)**	(1,804)
Fees, commissions and other income and charges:					
Received		**7,196**	6,060	**11**	24
Paid		**(1,280)**	(1,099)	**–**	–
Operating lease income received		**833**	908	**–**	–
Dividends and distributions received		**228**	218	**2,224**	2,079
Operating expenses paid:					
Employment expenses		**(7,173)**	(7,549)	**(4)**	(4)
Other operating expenses including brokerage, commission and fee expenses		**(2,762)**	(3,022)	**(5)**	(3)
Income tax paid		**(1,469)**	(1,633)	**(358)**	(356)
Changes in operating assets:					
Loan assets and receivables		**(27,692)**	(17,031)	**1,736**	2,244
Liquid asset holdings		**3,874**	(1,890)	**657**	(1,755)
Trading and related assets, and collateralised lending balances (net of liabilities)		**357**	(5,431)	**–**	–
Assets under operating lease		**(535)**	(960)	**–**	–
Other assets (net of liabilities)		**171**	(78)	**(9)**	15
Changes in operating liabilities:					
Deposits		**29,169**	13,480	**–**	–
Issued debt securities, borrowings and other funding		**1,979**	6,586	**(1,681)**	3,217
Net cash flows generated from/(utilised in) operating activities	29	**6,334**	(7,825)	**2,583**	5,567
Cash flows generated from/(utilised in) investing activities					
Net proceeds/(payments) for financial investments		**237**	(83)	**–**	–
Associates, joint ventures, subsidiaries and businesses:					
Proceeds from distribution or disposal, net of cash deconsolidated		**2,878**	958	**5,486**	–
Payments for additional contribution or acquisitions, net of cash acquired		**(4,448)**	(2,797)	**(5,074)**	(1,200)
Property, plant and equipment and right-of-use assets, investment property and intangible assets:					
Payments for acquisitions		**(1,065)**	(1,961)	**–**	–
Proceeds from disposals		**59**	2	**–**	–
Net cash flows generated from/(utilised in) investing activities		**(2,339)**	(3,881)	**412**	(1,200)
Cash flows generated from/(utilised in) financing activities					
Dividends and distributions paid		**(2,187)**	(2,662)	**(2,436)**	(2,695)
Payments for acquisition of treasury shares		**(935)**	(1,084)	**(667)**	(1,028)
Payments for on-market share buyback		**(369)**	(644)	**(369)**	(644)
(Payments for) /receipts from non-controlling interests		**(175)**	153	**–**	–
Loan capital:					
Issuance		**2,723**	1,246	**1,477**	–
Redemption		**(1,000)**	–	**(1,000)**	–
Net cash flows utilised in financing activities		**(1,943)**	(2,991)	**(2,995)**	(4,367)
Net increase/(decrease) in cash and cash equivalents		**2,052**	(14,697)	**–**	–
Cash and cash equivalents at the beginning of the year		**58,932**	73,116	**–**	–
Effect of exchange rate movements on cash and cash equivalents		**1,079**	513	**–**	–
Cash and cash equivalents at the end of the year	29	**62,063**	58,932	**–**	–

The above statements of cash flows should be read in conjunction with the accompanying notes.

[1] Comparative information has been re-presented to conform to changes in the current financial year. Refer to Note 29 *Notes to the statements of cash flows*.

Notes to the financial statements

For the financial year ended 31 March 2025

Note 1

Basis of preparation

This Financial Report is a General Purpose Financial Report which has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001* (Cth). Macquarie Group Limited is a for-profit company for the purposes of preparing this Financial Report.

The principal accounting policies adopted in the preparation of this Financial Report are set out in Note 44 *Material accounting policies*. These policies have been consistently applied to all the financial years presented and are applicable to both the Consolidated Entity (Macquarie Group Limited and its subsidiaries) as well as the Company (Macquarie Group Limited), unless otherwise stated.

(i) Compliance with IFRS as issued by the IASB

Compliance with Australian Accounting Standards ensures that this Financial Report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this Financial Report is compliant with IFRS.

(ii) Basis of measurement

This Financial Report has been prepared on a going concern basis using the historical cost convention except for the following items, as disclosed in the respective accounting policy:

- financial instruments (including derivatives) required to be measured at fair value through profit or loss (FVTPL); financial assets classified as fair value through other comprehensive income (FVOCI) and financial instruments that have been designated as FVTPL (DFVTPL)
- financial assets and liabilities that are otherwise measured on an amortised cost basis but adjusted for changes in fair value attributable to the risk being hedged in qualifying fair value hedge relationships
- non-current assets and disposal groups that have been classified as held for sale and where a disposal group has been impaired to its fair value less costs to sell
- commodity inventories that are measured at fair value less costs to sell in accordance with the broker-trader exemption
- certain other non-financial assets and liabilities that are measured at fair value, such as investment property.

(iii) Critical accounting estimates and significant judgements

The preparation of this Financial Report in compliance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Consolidated Entity's accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated Financial Report such as:

- determining the appropriate business model for a group of financial assets which includes determining the level at which the business model condition is applied and whether past or expected sales activity is consistent with a held to collect business model (Note 44(vii))
- assessing whether the cash flows generated by a financial asset constitute solely payments of principal and interest (SPPI) may require the application of judgement, particularly for certain subordinated or non-recourse positions, and in the determination of whether compensation for early termination of a contract is reasonable (Note 44(vii))
- choice of inputs, estimates and assumptions used in the measurement of Expected Credit Loss, including the determination of significant increase in credit risk (SICR), forecasts of economic conditions and the weightings assigned thereto (Note 44 (xxii) and Note 13)
- timing and amount of impairment of interests in associates and joint ventures and investment in subsidiaries, including the reversal thereof (Note 44(i), Note 44(xxii), Note 14 and Note 17)
- timing and amount of impairment of goodwill and other identifiable intangible assets and, where applicable, the reversal thereof (Note 44(xxii) and Note 16)
- determining fair value of assets and liabilities where market-observable inputs are not available including the determination of non-recurring fair values and accounting for day 1 profits or losses for financial instruments (Note 44(vii), Note 44(x) and Note 38)
- distinguishing between whether assets or a business is acquired under a business combination, particularly the determination of whether a substantive process exists that, together with an integrated set of activities and assets, significantly contributes to the ability to create an output (Note 44(ii))
- determination of significant influence over associates, joint control over arrangements and control over subsidiaries, including the assessment of whether certain rights are protective or substantive in nature, whether these rights are held in the capacity as agent or principal, and whether the level of involvement in an investee's relevant activities is sufficient to significantly affect the returns generated (Note 44(i))
- recoverability of tax receivables, deferred tax assets and measurement of current and deferred tax liabilities can require significant judgement, particularly where the recoverability of such tax balances relies on the estimation of future taxable profits and management's determination of the likelihood that uncertain tax positions will be accepted by the relevant taxation authority (Note 44(vi), Note 4 and Note 18)
- recognition and measurement of certain revenue streams including performance fees from Macquarie-managed funds and other capital market investments and transactions and the associated employee benefit expense (Note 44(iv)) and (Note 44(xviii))
- recognition and measurement of provisions related to actual and potential claims, and the determination of contingent liabilities (Note 44(iv), Note 44(xviii) and Note 33)
- application of hedge accounting principles, including the assessment that a forecast transaction is highly probable (Note 44(x) and Note 35)
- determination of the loss of control of a subsidiary, joint control over a joint arrangement or loss of significant influence over an associate including the timing of derecognition of assets and liabilities following the disposal of an investment, including the measurement of the associated gain or loss (Note 44(i)).

Note 1

Basis of preparation continued

(iii) Critical accounting estimates and significant judgements continued

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

Management believes that the estimates and judgements used in preparing this Financial Report are reasonable. Notwithstanding, it is possible that outcomes differ from management's assumptions and estimates, which may result in an adjustment to the carrying amounts of the reported assets and liabilities in future reporting periods.

(iv) New Australian Accounting Standards and amendments to Australian Accounting Standards and interpretations that are effective in the current financial year

(a) AASB 2023-2 *Amendments to Australian Accounting Standards - International Tax Reform - Pillar Two Model Rules* (AASB 2023-2)

The Pillar Two Model Rules are part of the Organisation for Economic Co-operation and Development's inclusive framework designed to address the tax challenges arising from the digitalisation of the economy. The Pillar Two Model Rules:

- aim to ensure that large multinational groups pay a minimum amount of tax on income arising in each jurisdiction in which they operate; and
- would achieve that aim by applying a system of top-up taxes that results in the total amount of taxes payable on Global Anti-Base Erosion Rules (GloBE) income in each jurisdiction representing at least the minimum rate of 15%.

The Consolidated Entity's Pillar Two Model Rules Project

During 2022, the Consolidated Entity initiated a project to manage the impact of the Pillar Two Model Rules globally. The project's scope is to ensure the Consolidated Entity and its subsidiaries can meet their Pillar Two Model Rules compliance obligations.

As part of the project, the Consolidated Entity is monitoring the progress of the implementation of the model rules into domestic legislation. Certain jurisdictions in which the Consolidated Entity has operations have started to enact the rules generally with operational effect from the Consolidated Entity's 31 March 2025 financial year.

Impacts on financial reporting

In June 2023, the AASB issued AASB 2023-2 which makes amendments to AASB 112 *Income Taxes* with immediate effect. The standard provides a mandatory temporary exception to accounting for deferred taxes arising from the implementation of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Consolidated Entity has applied this exception in preparing its annual Financial Report.

The Consolidated Entity is subject to Pillar Two Model Rules legislation in various jurisdictions. Applicable Pillar Two Model Rules legislation is effective at the reporting date in Australia and a number of offshore jurisdictions in which the Consolidated Entity operates. The Consolidated Entity has recognised an amount of current income tax expense in Note 4 *Income tax expense*.

(b) Other amendments made to existing standards

The amendments made to other existing standards that were mandatorily effective for the annual reporting period beginning on 1 April 2024 did not result in a material impact on this Financial Report.

(v) New Australian Accounting Standards and amendments to Australian Accounting Standards and Interpretations that are not yet effective for the financial year

(a) AASB 18 Presentation and Disclosure in Financial Statements

In June 2024, the Australian Accounting Standards Board (AASB) issued AASB 18 *Presentation and Disclosure in Financial Statements (AASB 18*). This new standard will be effective for the Consolidated Entity from 1 April 2027 and is applied retrospectively.

AASB 18 supersedes AASB 101 *Presentation of Financial Statements*. While it does not impact the recognition and measurement of items in the financial statements, it introduces new requirements for the presentation and disclosure of information in general purpose financial statements.

The Consolidated Entity is continuing to assess the presentation and disclosure impact of adopting AASB 18.

(b) Amendments to AASB 9 Financial Instruments and AASB 7 Financial Instruments: Disclosure

In August 2024, the AASB issued AASB 2024-2 to amend AASB 7 *Financial Instruments: Disclosures* (AASB 7) and AASB 9 *Financial Instruments* (AASB 9). AASB 2024-2 amends AASB 7 and AASB 9 in response to feedback from the International Accounting Standard Board's 2022 Post-implementation Review of the classification and measurement requirements in AASB 9 and the related requirements in AASB 7.

The amendments are effective for reporting periods beginning on or after 1 January 2026, with earlier application permitted. An entity is required to apply the amendments retrospectively.

The Consolidated Entity is continuing to assess the full impact of the amendments to AASB 7 and AASB 9.

(c) Other amendments made to existing standards

Other amendments to existing standards that are not mandatorily effective for the annual reporting period beginning on 1 April 2024 and have not been early adopted, are not likely to result in a material impact to the Consolidated Entity's Financial Report.

Note 1

Basis of preparation continued

(vi) Other developments

(a) AASB sustainability reporting standards

The Australian climate-related financial disclosures legislation received Royal Assent in September 2024, under the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* ("Act").

Following the Act's enactment, the AASB introduced the first set of Australian Sustainability Reporting Standards (ASRS).

These standards include:

- AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information*: A voluntary standard that provides entities with a framework for disclosing sustainability-related financial information in a consistent and comparable manner
- AASB S2 *Climate-related Disclosures*: A mandatory standard requiring entities to disclose detailed information about their governance, strategy, risk management, and metrics and targets related to climate-related risks and opportunities.

The Act requires the Consolidated Entity to commence reporting for its financial year commencing on 1 April 2025.

The Consolidated Entity acknowledges the growing importance of sustainability-related disclosures and continues to progress its established project to prepare for future sustainability and climate-related reporting obligations.

(b) IBOR reform: Transition from interbank offered rates (IBOR) to alternative reference rates (ARRs)

IBOR interest rate benchmarks that are used in a wide variety of financial instruments (such as derivatives and lending arrangements) have undergone, or are undergoing, reform. The nature of such reforms varies by benchmark and jurisdiction.

The Consolidated Entity's IBOR reform project which oversaw the transition of such exposures is materially complete, with limited remaining derivative exposures referencing IBOR (including Polish Warsaw Interbank Offered Rate) undergoing reform as at 31 March 2025.

Note 2

Operating profit before income tax

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
	$m	$m	**$m**	$m
Interest income				
Effective interest rate method - Amortised cost	**14,497**	12,961	**2,168**	1,598
Effective interest rate method - FVOCI	**2,642**	2,790	**59**	52
Other - FVTPL	**997**	741	**295**	267
Total interest income	**18,136**	16,492	**2,522**	1,917
Interest expense				
Effective interest rate method - Amortised cost	**(14,551)**	(12,988)	**(2,483)**	(1,880)
Other	**(78)**	(45)	**(3)**	(3)
Total interest expense	**(14,629)**	(13,033)	**(2,486)**	(1,883)
Net trading income[1]				
Commodities[2]	**3,313**	4,099	**–**	–
Equities	**1,466**	637	**–**	–
Interest rate, foreign exchange and credit products	**591**	712	**(156)**	(305)
Net trading income/(loss)	**5,370**	5,448	**(156)**	(305)
Fee and commission income				
Base, portfolio administration and other asset management fees:				
Base fees	**2,948**	2,895	**–**	–
Portfolio administration fees	**321**	298	**–**	–
Other asset management fees	**202**	200	**–**	–
Mergers and acquisitions, advisory and underwriting fees	**916**	743	**–**	–
Brokerage and other trading-related fees	**863**	791	**–**	–
Performance fees	**837**	632	**–**	–
Other fee and commission income	**703**	690	**10**	7
Total fee and commission income	**6,790**	6,249	**10**	7
Share of net profits/(losses) from associates and joint ventures	**167**	(49)	**–**	–

[1] Includes gains/(losses) for Trading Assets, Derivatives and Other Financial Assets and Financial Liabilities held at fair value including any ineffectiveness recorded on hedging transactions.

[2] Includes $838 million (2024: $859 million) of transportation, storage and certain other trading-related costs and $24 million (2024: $25 million) depreciation on right-of-use (ROU) assets held for trading-related business.

Note 2

Operating profit before income tax continued

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
	$m	$m	**$m**	$m
Credit and other impairment (charges)/reversals				
Credit impairment (charges)/reversals				
Loan assets	**(289)**	107	**–**	–
Undrawn credit commitments	**46**	11	**(3)**	–
Financial investments and other assets[1]	**(36)**	(27)	**–**	4
Margin money and settlement assets	**(18)**	16	**–**	–
Loans to associates and joint ventures	**29**	27	**–**	–
Gross credit impairment (charges)/reversals	**(268)**	134	**(3)**	4
Recovery of amounts previously written off	**2**	–	**–**	–
Net credit impairment (charges)/reversals	**(266)**	134	**(3)**	4
Other impairment (charges)/reversals				
Interests in associates and joint ventures	**12**	263	**–**	–
Intangible and other non-financial assets	**(107)**	(28)	**–**	–
Net other impairment (charges)/reversals	**(95)**	235	**–**	–
Net other operating income				
Investment income				
Net gain from:				
Interests in associates and joint ventures	**566**	284	**–**	–
Interests in businesses and subsidiaries[2]	**443**	303	**–**	–
Financial investments	**230**	505	**–**	–
Non-financial assets	**76**	18	**–**	–
Dividends from subsidiaries (Note 30)	**–**	–	**2,224**	2,079
Net investment income	**1,315**	1,110	**2,224**	2,079
Operating lease income				
Rental income	**1,030**	1,023	**–**	–
Depreciation	**(469)**	(470)	**–**	–
Net operating lease income	**561**	553	**–**	–
Subsidiaries and businesses held for investment purposes:[3]				
Net operating revenue[4]	**786**	749	**–**	–
Expenses[5]	**(1,355)**	(1,131)	**–**	–
Net loss from subsidiaries and businesses held for investment purposes	**(569)**	(382)	**–**	–
Net other income	**428**	130	**3**	10
Total net other operating income	**1,735**	1,411	**2,227**	2,089
Net operating income	**17,208**	16,887	**2,114**	1,829

1 Balance under Company represents ECL reversals/(charges) on amounts Due from subsidiaries.
2 Includes any gain/(loss) recognised on deconsolidation of subsidiaries due to a loss of control. For certain investments where the Consolidated Entity exercises significant influence over its retained investment (including instances when the Consolidated Entity holds greater than 50% ownership interest), an investment in associate has been recognised.
3 Subsidiaries and business held for investment purposes are consolidated entities that are held with the ultimate intention to sell as part of Macquarie's investment activities.
4 Includes revenue of $1,156 million (2024: $1,064 million) before deduction of $370 million (2024: $315 million) related to cost of goods sold and other direct costs.
5 Includes employment expenses, depreciation, amortisation, impairment expenses, finance cost and other operating expenses.

Note 2

Operating profit before income tax continued

	CONSOLIDATED		COMPANY	
	2025 $m	2024 $m	2025 $m	2024 $m
Employment expenses				
Salary and related costs including commissions, superannuation and performance-related profit share	**(6,369)**	(6,394)	**(4)**	(4)
Share-based payments[1]	**(842)**	(833)	**–**	–
Provision for long service leave and annual leave	**(44)**	(46)	**–**	–
Total compensation expenses	**(7,255)**	(7,273)	**(4)**	(4)
Other employment expenses including on-costs, staff procurement and staff training	**(405)**	(450)	**–**	–
Total employment expenses	**(7,660)**	(7,723)	**(4)**	(4)
Brokerage, commission and fee expenses				
Brokerage and other trading-related fee expenses	**(859)**	(770)	**–**	–
Other fee and commission expenses	**(347)**	(301)	**–**	–
Total brokerage, commission and fee expenses	**(1,206)**	(1,071)	**–**	–
Non-salary technology expenses				
Information services	**(308)**	(286)	**–**	–
Depreciation on own use assets: equipment (Note 15)	**(36)**	(28)	**–**	–
Service provider and other non-salary technology expenses	**(856)**	(849)	**–**	–
Total non-salary technology expenses	**(1,200)**	(1,163)	**–**	–
Other operating expenses				
Occupancy expenses				
Lease expenses	**(158)**	(173)	**–**	–
Depreciation on own use assets: buildings, furniture, fittings and leasehold improvements (Note 15)	**(138)**	(61)	**–**	–
Other occupancy expenses	**(196)**	(160)	**–**	–
Total occupancy expenses	**(492)**	(394)	**–**	–
Other expenses				
Professional fees	**(530)**	(468)	**(2)**	–
Advertising and promotional expenses	**(190)**	(177)	**–**	–
Amortisation of intangible assets	**(175)**	(164)	**–**	–
Travel and entertainment expenses	**(163)**	(168)	**(1)**	–
Indirect and other taxes	**(133)**	(186)	**–**	–
Fees for audit and other services	**(75)**	(70)	**–**	–
Other	**(316)**	(477)	**(5)**	(2)
Total other expenses	**(1,582)**	(1,710)	**(8)**	(2)
Total other operating expenses	**(2,074)**	(2,104)	**(8)**	(2)
Total operating expenses	**(12,140)**	(12,061)	**(12)**	(6)
Operating profit before income tax	**5,068**	4,826	**2,102**	1,823

[1] Includes share-based payment related expenses of $22 million (2024: $34 million) for cash settled awards.

Note 3

Segment reporting

(i) 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.

Note 3

Segment reporting continued

(i) Operating segments continued

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 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.

Reportable segment assets

Segment assets are the external operating assets that are employed by a segment in its operating activities.

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Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 3

Segment reporting continued

(i) Operating segments continued

The following is an analysis of the Consolidated Entity's revenue and results by reportable segment.

	Macquarie Asset Management $m	Banking and Financial Services $m
		CONSOLIDATED 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[1]	**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**
Reportable segment assets	**17,875**	**163,346**
		CONSOLIDATED 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
Reportable segment assets	15,523	141,975

[1] The Corporate segment includes gain from sale of a centrally held asset.

Commodities and Global Markets $m	Macquarie Capital $m	Corporate $m	Total $m
			CONSOLIDATED 2025
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**
152,559	**40,054**	**71,389**	**445,221**
			CONSOLIDATED 2024
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
135,640	33,636	76,626	403,404

Note 3

Segment reporting continued

(ii) Fee and commission income/(expense) relating to contracts with customers

The following is an analysis of the Consolidated Entity's fee and commission income/(expense) by reportable segment.

	Macquarie Asset Management $m	Banking and Financial Services $m	Commodities and Global Markets $m	Macquarie Capital $m	Corporate $m	Total $m
						CONSOLIDATED 2025
Fee and commission income						
Base, portfolio administration and other asset management fees:						
Base fees	**2,925**	**22**	**1**	**–**	**–**	**2,948**
Portfolio administration fees	**2**	**319**	**–**	**–**	**–**	**321**
Other asset management fees	**202**	**–**	**–**	**–**	**–**	**202**
Mergers and acquisitions, advisory and underwriting fees	**(5)**	**–**	**3**	**914**	**4**	**916**
Brokerage and other trading-related fees	**6**	**44**	**307**	**506**	**–**	**863**
Performance fees	**837**	**–**	**–**	**–**	**–**	**837**
Other fee and commission income	**243**	**226**	**218**	**33**	**(17)**	**703**
Total fee and commission income	**4,210**	**611**	**529**	**1,453**	**(13)**	**6,790**
						CONSOLIDATED 2024
Fee and commission income						
Base, portfolio administration and other asset management fees:						
Base fees	2,874	19	2	–	–	2,895
Portfolio administration fees	3	295	–	–	–	298
Other asset management fees	200	–	–	–	–	200
Mergers and acquisitions, advisory and underwriting fees	11	–	8	726	(2)	743
Brokerage and other trading-related fees	2	39	296	454	–	791
Performance fees	631	–	–	1	–	632
Other fee and commission income	220	201	280	20	(31)	690
Total fee and commission income	3,941	554	586	1,201	(33)	6,249

Note 3

Segment reporting continued

(iii) Products and services

The Consolidated Entity's Operating Segments reflect different core products and services offered by the Group. Refer to Note 3(i) *Operating segments* for net operating income contribution by various Operating Segments.

(iv) Geographical areas

Geographical areas have been determined based on the tax domicile of the entity where the transactions have been recorded. The operations of the Consolidated Entity are headquartered in Australia. Income represents net operating income disclosed in the income statement. Non-current assets represent property, plant and equipment and right-of-use assets, interests in associates and joint ventures, intangible assets and investment properties, which are not part of assets of disposal group held as at reporting date.

	CONSOLIDATED 2025		CONSOLIDATED 2024	
	Income	**Non-current assets**	Income	Non-current assets
	$m	**$m**	$m	$m
Americas[1]	**5,776**	**3,881**	5,969	5,383
Australia and New Zealand	**5,381**	**3,524**	5,353	4,036
Europe, Middle East and Africa[2]	**4,534**	**8,616**	4,278	10,156
Asia	**1,517**	**951**	1,287	710
Total	**17,208**	**16,972**	16,887	20,285

(v) Major customers

The Consolidated Entity does not rely on any major customers.

1 Includes income from the United States of $5,464 million (2024: $5,647 million).
2 Includes income from the United Kingdom of $3,119 million (2024: $2,828 million).

Note 4
Income tax expense

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
	$m	$m	**$m**	$m
(i) Income tax (expense)/benefit				
Current tax (expense)/benefit	**(1,388)**	(1,318)	**13**	56
Deferred tax benefit/(expense)	**62**	27	**(6)**	20
Total income tax (expense)/benefit	**(1,326)**	(1,291)	**7**	76
(ii) Reconciliation of income tax expense to prima facie tax expense				
Prima facie income tax expense on operating profit @30% (2024: 30%)	**(1,520)**	(1,448)	**(631)**	(547)
Tax effect of amounts which are (non-deductible)/non-assessable in calculating taxable income:				
Rate differential on offshore income	**372**	229	**(9)**	(8)
Intra-group dividends	**–**	–	**667**	624
Other items	**(178)**	(72)	**(20)**	7
Total income tax (expense)/benefit	**(1,326)**	(1,291)	**7**	76
(iii) Tax benefit/(expense) relating to OCI				
FVOCI reserve	**14**	16	**(1)**	–
Own credit risk	**5**	19	**5**	15
Cash flow hedges and cost of hedging	**(49)**	17	**(4)**	–
Foreign currency translation reserve	**–**	3	**–**	–
Share of other comprehensive expense of associates and joint ventures	**(4)**	(14)	**–**	–
Total tax benefit/(expense) relating to items of other comprehensive income	**(34)**	41	**–**	15
(iv) Deferred tax benefit/(expense) represents movements in deferred tax assets and liabilities				
Financial investments, interests in associates and joint ventures and subsidiaries	**125**	(206)	**–**	–
Intangible assets	**41**	85	**–**	–
Other assets and liabilities	**29**	(91)	**(2)**	26
Loan assets and derivatives	**16**	19	**(5)**	(6)
Operating and finance leases	**(20)**	58	**–**	–
Property, plant and equipment	**(55)**	15	**–**	–
Tax losses	**(74)**	147	**–**	–
Deferred tax benefit	**62**	27	**(7)**	20

Revenue authorities undertake risk reviews and audits as part of their normal activities. The Consolidated Entity has assessed these and other taxation claims and litigation, including seeking external advice where appropriate, and considers that it holds appropriate provisions.

Included in the above income tax expense is an accrual for Pillar Two Model Rules tax of $20 million.

Note 5

Dividends

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
	$m	$m	**$m**	$m
(i) Dividends paid				
Ordinary share capital				
Final dividend paid (2024: $3.85 (2023: $4.50) per share)	**1,465**	1,734	**1,457**	1,721
Interim dividend paid (2025: $2.60 (2024: $2.55) per share)	**987**	982	**979**	974
Total dividends paid (Note 28)[1]	**2,452**	2,716	**2,436**	2,695

The 2025 interim dividend paid during the year was franked at 35%, while the 2024 final dividend paid during the year was franked at 40%, based on tax paid at 30% (2024 interim and 2023 final dividends were franked at 40%, based on tax paid at 30%).

The Company's Dividend Reinvestment Plan (DRP) remains active. The DRP is optional and offers ordinary shareholders in Australia and New Zealand the opportunity to acquire fully paid ordinary shares without transaction costs. A shareholder can elect to participate in or terminate their involvement in the DRP at any time. Election notices for participation in the DRP in relation to the final dividend to be paid on 2 July 2025 must be received by the registry by 5:00 pm on 21 May 2025 to be effective for that dividend.

It is expected that shares allocated under the DRP will be purchased on-market[2] and allocated on the dividend payment date. The DRP shares will rank pari passu with other fully paid ordinary shares then on issue. The allocation price will be the arithmetic average of the daily volume weighted average market price of all Macquarie Group shares sold through a normal trade on the ASX trading system over the nine business days commencing on the fourth business day after the Election Date of 21 May 2025.

Ordinary shares purchased on market or issued by the Consolidated Entity under the DRP in the current and prior year were allocated as fully paid ordinary shares pursuant to the DRP, details of which are included in Note 27 *Contributed equity*.

(ii) Dividends not recognised at the end of the financial year

Since the end of the financial year, the Directors have resolved to pay a final dividend of $3.90 per fully paid ordinary share, 35% franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 2 July 2025 from retained profits, but not recognised as a liability at the end of the financial year is $1,486 million. This amount has been estimated based on the number of shares and MEREP awards eligible to participate as at 31 March 2025.

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
Cash dividend (distribution of current period profits) ($ per share)	**6.50**	6.40	**6.50**	6.40
Franking credits available for the subsequent financial year at a corporate tax rate of 30% (2024: 30%) ($m)[3]	**206**	224	**206**	224

[1] The Consolidated Entity included an additional $16 million (2024: $21 million) of dividend equivalent amount paid to Deferred Share Unit (DSU) holders as described in Note 32 *Employee equity participation*.
[2] The shares for the DRP may be issued in part or in full if purchasing the shares is no longer practical or advisable.
[3] Amount represents balances for franking accounts adjusted for franking credits/debits that will arise from the payment/receipt of income tax payables/receivables as at the end of the financial year respectively.

Note 6

Earnings per share

Basic earnings per share is calculated by dividing the Consolidated Entity's profit attributable to ordinary equity holders (adjusted by profit attributable to participating unvested MEREP awards) by the weighted average number of ordinary shares outstanding during the financial year (adjusted for vested MEREP awards).

Diluted earnings per share is calculated by dividing the Consolidated Entity's profit attributable to ordinary equity holders (adjusted by profit attributable to all the dilutive potential ordinary shares) by the weighted average number of ordinary shares and potential ordinary shares that would be issued on the exchange of all the dilutive potential ordinary shares.

	CONSOLIDATED	
	2025	2024
		CENTS
Basic earnings per share	**979.4**	916.6
Diluted earnings per share	**975.5**	911.4
	$m	$m
Reconciliation of earnings used in the calculation of basic and diluted earnings per share		
Profit after income tax	**3,742**	3,535
Profit attributable to non-controlling interests	**(27)**	(13)
Profit attributable to the ordinary equity holders of MGL	**3,715**	3,522
Less: profit attributable to participating unvested MEREP awards	**(132)**	(137)
Earnings used in the calculation of basic earnings per share	**3,583**	3,385
Add back: Profit attributable to dilutive participating unvested MEREP awards	**88**	84
Earnings used in the calculation of diluted earnings per share	**3,671**	3,469
		NUMBER OF SHARES
Reconciliation of weighted average number of equity shares used in the calculation of basic and diluted earnings per share		
Weighted average number of equity shares (net of treasury shares) adjusted for vested MEREP awards used in the calculation of basic earnings per share	**365,852,305**	369,315,116
Add: weighted average number of dilutive potential ordinary shares from unvested MEREP awards	**10,469,535**	11,305,877
Weighted average number of equity shares (net of treasury shares) and potential equity shares used in the calculation of diluted earnings per share[1]	**376,321,840**	380,620,993

[1] The Consolidated Entity has issued loan capital which may convert into ordinary shares in the future (refer to Note 26 *Loan capital* for further details). These loans capital instruments are potentially dilutive instruments, and diluted EPS is therefore calculated as if the instruments has been converted at the beginning of the year or, if later, the instruments' issue dates. For the year ended 31 March 2025, all loan capital instruments were antidilutive (31 March 2024: antidilutive).

Note 7

Trading assets

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
	$m	$m	**$m**	$m
Equity securities	**19,928**	19,271	**–**	–
Debt securities	**4,622**	3,147	**–**	–
Commodity contracts	**3,067**	2,980	**–**	–
Commodity inventories	**7,419**	2,526	**–**	–
Total trading assets	**35,036**	27,924	**–**	–

The majority of the above amounts are expected to be recovered within 12 months of the balance date by the Consolidated Entity.

Note 8

Margin money and settlement assets

Margin money	**16,746**	13,148	**–**	–
Security settlement assets	**6,661**	6,875	**–**	–
Commodity settlement assets	**3,213**	4,094	**–**	–
Total margin money and settlement assets	**26,620**	24,117	**–**	–

The majority of above amounts are expected to be recovered within 12 months of the balance date by the Consolidated Entity.

Note 9

Derivative assets

Held for trading	**22,907**	23,064	**–**	1
Designated in hedge relationships	**1,362**	1,003	**–**	–
Total derivative assets	**24,269**	24,067	**–**	1

The majority of the above amounts are expected to be recovered within 12 months of the balance date by the Consolidated Entity.

Note 10

Financial investments

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	$m	$m	$m	$m
Equity securities:				
Listed	99	171	–	–
Unlisted	1,715	2,047	–	–
Debt securities:				
Liquid asset holdings	15,515	18,729	1,106	1,763
Bonds, money market and other securities	3,360	3,431	–	–
Insurance-related securities	766	–	–	–
Total financial investments	**21,455**	24,378	**1,106**	1,763

Of the above amounts, $3,675 million (2024: $2,897 million) is expected to be recovered more than 12 months after the balance date by the Consolidated Entity and $nil (2024: $nil) by the Company.

Note 11

Held for sale and other assets

	CONSOLIDATED 2025 $m	CONSOLIDATED 2024 $m	COMPANY 2025 $m	COMPANY 2024 $m
Held for sale assets				
Interests in associates and joint ventures	1,319	1,488	–	–
Assets of disposal groups [1]	5,293	716	–	–
Total held for sale assets	**6,612**	2,204	–	–
Other assets				
Other financial assets				
Trade debtors and other receivables	4,716	2,524	–	–
Commodity-related receivables	4,491	4,869	–	–
Fee and commission receivables	1,082	1,011	–	–
Total other financial assets	**10,289**	8,404	–	–
Other non-financial assets				
Contract assets	1,281	1,144	–	–
Income tax receivables	958	651	26	15
Investment properties	653	927	–	–
Prepayments	642	502	–	–
Indirect tax receivables	240	198	–	7
Inventories	–	564	–	–
Others	150	248	–	–
Total other non-financial assets	**3,924**	4,234	**26**	22
Total other assets	**14,213**	12,638	**26**	22

Of the above amounts, $2,242 million (2024: $1,442 million) is expected to be recovered more than 12 months after the balance date by the Consolidated Entity and $nil (2024: $nil) by the Company.

[1] Includes intangible assets of $2,991 million (2024: $3 million).

Note 12
Loan assets

	CONSOLIDATED 2025			CONSOLIDATED 2024		
	Gross carrying value	**ECL allowance[1]**	**Net carrying value**	Gross carrying value	ECL allowance[1]	Net carrying value
	$m	**$m**	**$m**	$m	$m	$m
Home loans	**143,477**	**(125)**	**143,352**	120,890	(106)	120,784
Corporate, commercial and other lending	**56,382**	**(1,050)**	**55,332**	48,647	(1,002)	47,645
Asset financing	**7,054**	**(90)**	**6,964**	8,049	(107)	7,942
Total loan assets[2]	**206,913**	**(1,265)**	**205,648**	177,586	(1,215)	176,371

Of the above amounts, $160,704 million (2024: $148,368 million) is expected to be recovered more than 12 months after the balance date by the Consolidated Entity.

Finance lease receivables

Finance lease receivables are included within loan assets. The Consolidated Entity provides finance leases to a broad range of clients to support financing needs in acquiring movable assets such as motor vehicles, small plant and equipment, electronic and IT equipment.

The following table represents the maturity profile of the contractual undiscounted cash flows of the Consolidated Entity.

	CONSOLIDATED 2025			CONSOLIDATED 2024		
	Gross investment in finance lease receivables	**Unearned income**	**Present value of minimum lease payments receivable**	Gross investment in finance lease receivables	Unearned income	Present value of minimum lease payments receivable
	$m	**$m**	**$m**	$m	$m	$m
Within one year	**732**	**(80)**	**652**	1,065	(97)	968
Between one to two years	**545**	**(41)**	**504**	712	(69)	643
Between two to three years	**267**	**(21)**	**246**	498	(54)	444
Between three to four years	**130**	**(11)**	**119**	193	(18)	175
Between four to five years	**36**	**(2)**	**34**	110	(11)	99
Later than five years	**14**	**(1)**	**13**	14	–	14
Total	**1,724**	**(156)**	**1,568**	2,592	(249)	2,343

[1] The ECL allowance carried against loan assets measured at FVOCI is not presented in the table as the allowance is included in reserves. Refer Note 13 *Expected credit losses*.
[2] Includes loan assets carried at fair value, capitalised costs and unearned income which are not subject to ECL.

Note 13

Expected credit losses

The Consolidated Entity models the Expected Credit Losses (ECL) for on-balance sheet financial assets measured at amortised cost or FVOCI such as loans, debt securities and lease receivables, as well as off-balance sheet items such as undrawn loan commitments, certain financial guarantee contracts and letters of credit.

Model inputs

The Consolidated Entity segments its credit portfolio between retail and wholesale exposures, and further splits these portfolios into representative groupings which are typically based on shared risk characteristics.

The Consolidated Entity has developed several models to predict the ECL. These models incorporate a range of components notably that of Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD) ('credit inputs') as well as Forward-Looking Information (FLI).

For retail portfolios, behavioural variables are also considered in the determination of inputs for ECL modelling.

The key model inputs used in measuring the ECL include:

- **Exposure at Default (EAD):** The EAD represents the estimated exposure in the event of a default
- **Probability of Default (PD):** The calculation of PDs for retail and wholesale exposures is generally performed at a facility level. Retail exposures are segmented based on product type and shared characteristics that are highly correlated to credit risk such as region, product, counterparty groupings, loan-to-value ratio and other similar criteria. Wholesale portfolio PDs are a function of industry type, internal credit ratings and transition matrices used to determine a point in time PD estimate. PD estimates for both retail and wholesale portfolios are also adjusted for FLI
- **Loss Given Default (LGD):** The LGD associated with the PD used is the magnitude of the ECL in a default event. The LGD is estimated using historical loss rates considering relevant factors for individual exposures or portfolios.

Significant increase in credit risk (SICR)

The Consolidated Entity periodically assesses exposures to determine whether there has been a SICR, which may be evidenced by either qualitative or quantitative factors. Qualitative factors include, but are not limited to material change in internal credit rating or whether an exposure has been identified and placed on CreditWatch, an internal credit monitoring mechanism supervised by senior management to closely monitor exposures showing signs of stress. All exposures on CreditWatch are classified as Stage II or, if defaulted, as Stage III.

SICR thresholds, which require judgement, are used to determine whether an exposure's credit risk has increased significantly. The SICR methodology is based on a relative credit risk approach which considers changes in an underlying exposure's credit risk since origination. This may result in exposures being classified in Stage II that are of a higher credit quality than other similar exposures that are classified as Stage I. Accordingly, while similar increases in the quantum of Stage II exposures will suggest a relative deterioration of credit quality, it should not necessarily be inferred that the assets are of a lower credit quality.

Retail exposures

Exposures are assigned a risk measure including behavioural score which considers relevant information on initial recognition to determine default probability. This risk measure is periodically assessed and updated to reflect changes in the underlying exposures' credit behaviour. The change in risk measure from initial recognition to reporting date is compared with established thresholds which, where exceeded, result in the exposure being categorised as Stage II.

Wholesale exposures

The Consolidated Entity assigns an internal credit rating to each exposure at origination based on information available at that date. These internal ratings are broadly aligned to external credit rating agencies such as Standard & Poor's and Moody's.

Where an exposures' assigned credit rating deteriorates beyond pre-defined thresholds per credit rating at origination, the exposure is categorised as Stage II. The methodology has been calibrated so that a larger change in rating is required for higher quality credit rated exposures when compared to lower quality credit rated exposures to be classified as Stage II.

For both retail and wholesale portfolios:

- the AASB 9 'low credit risk' exemption is not applied by the Consolidated Entity to material portfolios
- for material retail portfolios, the credit risk for an exposure or portfolio is generally deemed to have increased significantly if the exposure is more than 30 days past due, unless there are product specific characteristics that indicate that this threshold should be rebutted.

Definition of default

The Consolidated Entity's definition of default determines the reference point for the calculation of the ECL components, and in particular the PD. Default is generally defined as the point when the borrower is unlikely to pay its credit obligations in full, without recourse by the Consolidated Entity to actions such as realisation of available security; or when the borrower is 90 days or more past due on an obligation to the Consolidated Entity.

Note 13

Expected credit losses continued

The Consolidated Entity periodically monitors its exposures for potential indicators of default such as significant financial difficulty of the borrower including breaches of lending covenants; whether it is probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Forward-looking information (FLI)

The inclusion of FLI in calculating ECL allowances adjusts the PD, the determination of SICR in retail portfolios as well as the LGD (that is relevant to the determination of the recovery rates on collateral). The predicted relationships between these key indicators and the key model components (EAD, PD and LGD) in measuring the ECL have been developed by analysing historical data as part of the development of internal models, and the calibration and validation process.

The Consolidated Entity applies its professional judgement in determining whether there are any inherent risks in the models' predictive outcomes. The overlays primarily reflect management's assessment of the current economic and credit environment relative to the FLI credit cycle model. These overlays account for the risk that underlying credit risk events have occurred, but observable modelled inputs are yet to reflect those events, as well as risks that are specific to regions, counterparties or industries which are difficult to account for within the modelled outcomes. Over time the credit models are recalibrated to enhance the predictive capability. At the reporting date this overlay was approximately $225 million (2024: $175 million). These judgements are reviewed by FPE and RMG at each reporting date.

RMG is responsible for the FLI including the development of scenarios and recommending the range of probability weights to apply to those scenarios. For this purpose, four possible economic scenarios have been developed for this period, being an upside, downside, severe downside and baseline scenario. In calculating the ECL, each of the scenarios is probability weighted and then applied to the exposures' PDs and LGDs.

The scenarios have been developed using a combination of publicly available data, internal forecasts and third-party information to form the initial baseline. Internal specialists within the Consolidated Entity are consulted to assist in refining and challenging the baseline and the alternative scenarios. For the current reporting period, the Consolidated Entity has generated three alternative scenarios in addition to the baseline scenario, where the alternative scenarios are anchored to the baseline on a relative basis.

Refinement of the scenarios includes benchmarking to external data from reputable sources. These sources include, forecasts published from a range of market economists and official data sources, including major central banks, where available.

Where there are limited official data sources against which to benchmark key economic indicators on a forward-looking basis, management exercises judgement when determining the duration, severity and impact of the macroeconomic scenarios used by the Consolidated Entity.

Assigning probabilities to these scenarios requires professional judgement. This judgement draws on internal risk and economics specialist input, comparison to general market outlooks and publicly available market commentary.

The scenarios and the associated probabilities are ultimately approved by senior risk and finance executives.

The scenarios for each of the key regions where the Consolidated Entity's ECL is derived have been set out on the following pages. Noting the diversity of possible scenarios and macroeconomic outcomes, and the continuing uncertainty regarding the implications of geopolitical events, emerging trade tensions, inflationary pressures and the path of monetary policy, these scenarios represent plausible forward-looking views as at the reporting date.

These scenarios impact the modelled ECL provisioning levels through determination of probabilities of default and determination of losses that may be incurred should a default occur. The ability of borrowers to service their obligations through personal or business income is generally estimated using unemployment rates, GDP, commodity prices and interest rates. The losses that the Consolidated Entity may incur should a default occur, and the collateral utilised is generally estimated through property price and share price index outlooks.

Future economic conditions may differ to the scenarios outlined, the impact of which will be accounted for in future reporting periods.

Note 13

Expected credit losses continued

Forward-looking information (FLI) continued

Scenario	Weighting	Expectation
Baseline A 100% weighting to this scenario would result in a total expected credit loss provision on balance sheet at the reporting date of ~$1,100 million[1]	Probable	**Global:** The baseline scenario assumes that global GDP growth (weighted by market exchange rates) slows from 2.9% over 2024 to 1.7% over 2025 (Q4-over-Q4) as higher trade barriers weigh, with a modest growth in 2026 to 2.4%. **Australia:** GDP growth is assumed to remain below trend at 1.3% over 2025, recovering to 2.2% in 2026. The unemployment rate is forecast to rise modestly, reaching 4.4% by the end of 2025. The Reserve Bank of Australia (RBA) is expected to further reduce the cash rate by 50 basis points over the remaining period to 3.6% by the end of 2025. House prices are expected to continue their upward trend, rising by a total of 6.4% over the course of 2025 and 2026. **United States:** GDP growth is assumed to moderate to 0.7% over 2025 from 2.5% in the prior year, and stay below trend in 2026 at 1.9%. The unemployment rate is expected to rise to 4.7% in the last quarter of 2025. The Federal Reserve is expected to hold rates flat in 2025 as inflation moves higher on the back of higher tariffs **Europe:** The baseline scenario projects year-end GDP growth will slow to 0.5% in 2025 down from 1.2% in 2024, with a modest rebound to 1.6% in 2026. Unemployment is expected to peak at 6.8% before the end of 2025
Downside A 100% weighting to this scenario would result in a total expected credit loss provision on balance sheet at the reporting date of ~$1,550 million[1]	Possible	**Global:** The downside scenario projects annual GDP growth that is approximately 1 percentage point lower than the baseline until mid-2026. **Australia:** The scenario forecasts year-end GDP growth to slow to 0.3% in 2025 before improving to 1.3% in 2026. Unemployment is projected to rise from 4.1% to a peak of 5.4% by the first half of 2026. The RBA cash rate is forecast to rise by 50 basis points in the first half of 2025 followed by 175 basis points of cuts starting in the fourth quarter of 2025 and into 2026. House prices are projected to fall 17% by end-2026. **United States:** The scenario projects a contraction of 0.2% year-on-year in GDP in 2025 on a year-end basis, increasing modestly to 0.9% growth in 2026. The US Federal Reserve is expected to respond to rising consumer prices by increasing interest rates 100 basis points in 2025; a 250-basis points easing cycle is expected in 2026 as authorities respond to weakening economic activity. The unemployment rate is projected to peak at 6.0% in mid-2026. **Europe:** The scenario projects that Q4-over-Q4 GDP growth will fall to -0.8% in 2025 and then grow by 0.9% in 2026. The unemployment rate is expected to peak at 7.8% in mid-2026.

[1] This number provides ECL provision information as at the reporting date assuming the scenarios outlined, but does not reflect changes in the credit rating of the counterparties that may occur if these scenarios were to occur. Changes in credit ratings may have a material impact on these ECL provisions.

Note 13

Expected credit losses continued

Forward-looking information (FLI) continued

Scenario	Weighting	Expectation
Severe Downside A 100% weighting to this scenario would result in a total expected credit loss provision on balance sheet at the reporting date of ~$2,200 million[1]	Unlikely	**Global:** The scenario projects a sharp slowdown in annual GDP growth, around 3 to 3.5 percentage points lower than the baseline by end-2025 and into the first half of 2026. **Australia:** The scenario projects that GDP will contract for four quarters year-on-year starting in the third quarter of 2025. Growth is expected to turn positive after end-2026. The unemployment rate is projected to reach 6.8% in the second half of 2026. The RBA cash rate is expected to rise by 100 basis points in 2025 in response to inflation, before an anticipated easing cycle of 325 basis points starting in the fourth quarter of 2025. House prices are projected to fall by a total of 26% in the two years to end-2026. **United States:** The scenario projects that GDP will contract for four consecutive quarters through 2025 and 2026. The US Federal Reserve is projected to initially hike rates by 125 basis points in response to high inflation before sharply cutting rates in response to economic weakness. The unemployment rate is expected to peak at 8.0% in mid-2026. **Europe:** The scenario projects GDP to contract by 2.1% in the year to December 2025 and a further contraction of 0.7% in 2026. Unemployment is anticipated to peak at 9.0% by mid-2026.
Upside A 100% weighting to this scenario would result in a total expected credit loss provision on balance sheet at the reporting date of ~$900 million[1]	Possible	**Global:** The upside scenario projects annual GDP growth that is approximately 1 percentage point higher than the baseline until mid 2026. **Australia**: The scenario forecasts annual GDP growth of 2.1% in 2025 followed by 2.9% in 2026 on a Q4-over-Q4 basis. The RBA is expected to cut the cash rate by a further 75 basis points in 2025 to 3.35% and hold rates steady throughout 2026. Unemployment is anticipated to stabilise at around 4.0%. House prices are projected to rise a cumulative 9.7% across 2025 and 2026. **United States**: The scenario projects annual GDP growth of 1.3% in 2025 and 2.4% in 2026. The US Federal Reserve is expected to make gradual cuts, totalling 75 basis points, over the course of 2025-26. The unemployment rate is projected to gradually decline to 3.7% by end-2026 from 4.0% in mid-2025. **Europe:** Annual GDP growth is forecast to remain flat at 1.2% in the year to end 2025 and accelerate to 2.1% in 2026. Unemployment is expected to stabilise at roughly 6.1% over the course of 2025-26.

[1] This number provides ECL provision information as at the reporting date assuming the scenarios outlined, but does not reflect changes in the credit rating of the counterparties that may occur if these scenarios were to occur. Changes in credit ratings may have a material impact on these ECL provisions.

Note 13

Expected credit losses continued

The table below presents the gross exposure and related ECL allowance for assets measured at amortised cost or FVOCI, contract assets and undrawn credit commitments subject to the impairment requirements of AASB 9 *Financial Instruments*.

	GROSS EXPOSURE FOR FINANCIAL ASSETS CARRIED AT				ECL ALLOWANCE ON FINANCIAL ASSETS CARRIED AT			
	Amortised cost	FVOCI	Other	Gross exposure	Amortised cost	FVOCI	Other	Total ECL allowance
	$m	$m	$m	$m	$m	$m	$m	$m
								CONSOLIDATED 2025
Cash and bank balances	**26,386**	**–**	**–**	**26,386**	**1**	**–**	**–**	**1**
Cash collateralised lending and reverse repurchase agreements	**17,931**	**40,095**	**–**	**58,026**	**2**	**–**	**–**	**2**
Margin money and settlement assets	**26,305**	**–**	**–**	**26,305**	**38**	**–**	**–**	**38**
Financial investments	**2,092**	**16,123**	**–**	**18,215**	**6**	**2**	**–**	**8**
Held for sale and other assets[1]	**6,712**	**394**	**1,281**	**8,387**	**124**	**–**	**–**	**124**
Loan assets	**203,127**	**685**	**–**	**203,812**	**1,265**	**89**	**–**	**1,354**
Loans to associates and joint ventures	**563**	**–**	**–**	**563**	**6**	**–**	**–**	**6**
Undrawn credit commitments	**–**	**–**	**32,043**	**32,043**	**–**	**–**	**83**	**83**
Total	**283,116**	**57,297**	**33,324**	**373,737**	**1,442**	**91**	**83**	**1,616**
								CONSOLIDATED 2024
Cash and bank balances	31,856	–	–	31,856	1	–	–	1
Cash collateralised lending and reverse repurchase agreements	11,728	34,915	–	46,643	1	–	–	1
Margin money and settlement assets	23,885	–	–	23,885	43	–	–	43
Financial investments	1,920	19,508	–	21,428	–	1	–	1
Held for sale and other assets[1]	4,270	255	1,144	5,669	141	–	–	141
Loan assets	174,953	625	–	175,578	1,215	100	–	1,315
Loans to associates and joint ventures	513	–	–	513	35	–	–	35
Undrawn credit commitments	–	–	31,308	31,308	–	–	125	125
Total	249,125	55,303	32,452	336,880	1,436	101	125	1,662

Loan assets continue to represent the Consolidated Entity's most significant component of credit exposures on which ECL allowances are carried. The credit quality of the Consolidated Entity's loan assets, is monitored through its credit policies, as set out in Note 36.1 *Credit risk*. The Company's ECL provision of $49 million (2024: $47 million) primarily relates to related party loans of $46,198 million (2024: $45,928 million) that are presented as Due from subsidiaries in the Statements of financial position and undrawn credit commitments of $7,925 million (2024: $7,327 million).

[1] Other exposures included in other assets represent fee-related contract assets.

Note 13

Expected credit losses continued

The table below provides a reconciliation between the opening and closing balance of the ECL allowance.

	Cash and bank balances $m	Cash collateralised lending and repurchase agreements $m	Margin money and settlement assets $m	Financial investments $m	Held for sale and other assets $m	Loan assets $m	Loans to associates and joint ventures $m	Undrawn credit commitments $m	Total $m
Balance as at 1 Apr 2023	3	8	58	4	120	1,444	60	134	1,831
Credit impairment charges/(reversals) (Note 2)	(2)	(3)	(16)	(4)	36	(107)	(27)	(11)	(134)
Amount written off, previously provided for	–	–	–	–	(36)	(30)	–	–	(66)
Reclassifications, foreign exchange and other movements	–	(4)	1	1	21	8	2	2	31
Balance as at 31 Mar 2024	1	1	43	1	141	1,315	35	125	1,662
Credit impairment charges/(reversals) (Note 2)	**–**	**–**	**18**	**7**	**29**	**289**	**(29)**	**(46)**	**268**
Amount written off, previously provided for	**–**	**–**	**(22)**	**–**	**(48)**	**(252)**	**–**	**–**	**(322)**
Reclassifications, foreign exchange and other movements	**–**	**1**	**(1)**	**–**	**2**	**2**	**–**	**4**	**8**
Balance as at 31 Mar 2025	**1**	**2**	**38**	**8**	**124**	**1,354**	**6**	**83**	**1,616**

The table below provides a reconciliation of the ECL allowance on loan assets to which the impairment requirements under AASB 9 *Financial Instruments* are applied.

		LIFETIME ECL		
	Stage I 12 month ECL $m	Stage II Not credit impaired $m	Stage III Credit impaired $m	Total $m
Balance as at 1 Apr 2023	625	425	394	1,444
Transfer during the year	165	(119)	(46)	–
Credit impairment charges/(reversals) (Note 2)	(346)	43	196	(107)
Amount written off, previously provided for	–	–	(30)	(30)
Reclassifications, foreign exchange and other movements	4	6	(2)	8
Balance as at 31 Mar 2024	448	355	512	1,315
Transfer during the year	**44**	**(17)**	**(27)**	**–**
Credit impairment charges/(reversals) (Note 2)	**95**	**72**	**122**	**289**
Amount written off, previously provided for	**–**	**–**	**(252)**	**(252)**
Reclassifications, foreign exchange and other movements	**16**	**10**	**(24)**	**2**
Balance as at 31 Mar 2025	**603**	**420**	**331**	**1,354**

Note 14
Interests in associates and joint ventures

	CONSOLIDATED 2025 $m	2024 $m
Equity investments with no provisions for impairment	**6,391**	5,653
Equity investments with provisions for impairment:		
Gross carrying value[1]	**508**	398
Less: provisions for impairment	**(176)**	(210)
Equity investments with provisions for impairment	**332**	188
Total equity investments in associates and joint ventures[2]	**6,723**	5,841
Loans to associates and joint ventures	**1,003**	1,163
Less: credit impairment charges	**(6)**	(35)
Total loans to associates and joint ventures	**997**	1,128
Total interests in associates and joint ventures[3,4]	**7,720**	6,969

The majority of the above amounts are expected to be recovered more than 12 months after the balance date by the Consolidated Entity.

Principal associates

The Consolidated Entity’s principal associates at the balance date are:

Associates	Carrying value 2025 $m	Carrying value 2024 $m	Ownership interest	Nature of activities	Financial reporting date
Macquarie AirFinance Limited	**1,396**	1,058	50%	Aircraft leasing	31 March

Macquarie AirFinance Limited

The Consolidated Entity holds 50% interest in Macquarie AirFinance Limited (MAF) under the MAM operating group and accounts for it as an equity-accounted associate due to having significant influence.

1 Represents the carrying value after equity-accounted gains and losses, if any.
2 Includes investments in Macquarie-managed funds of $2,419 million (2024: $2,059 million). In some instances, the Consolidated Entity holds less than 20% ownership interest in these investments, yet classifies its investments in these funds as equity-accounted associates on the basis of its ability to participate in the financial and operating policy decisions through its role as general partner or manager.
3 Comprises $5,353 million (2024: $4,467 million) relating to interests in associates and $2,367 million (2024: $2,502 million) relating to interests in joint ventures.
4 Financial statements of associates and joint ventures have been adjusted to align with the Consolidated Entity's reporting date, where the reporting date differs.

Note 15
Property, plant and equipment and right-of-use assets

	CONSOLIDATED 2025			CONSOLIDATED 2024		
	Cost $m	Accumulated depreciation and impairment $m	Carrying Value $m	Cost $m	Accumulated depreciation and impairment $m	Carrying Value $m
Assets for own use						
Land and buildings	**1,484**	**(68)**	**1,416**	1,396	(49)	1,347
Furniture, fittings and leasehold improvements	**1,167**	**(542)**	**625**	1,141	(576)	565
Infrastructure assets and equipment	**939**	**(229)**	**710**	845	(190)	655
Total assets for own use	**3,590**	**(839)**	**2,751**	3,382	(815)	2,567
Assets under operating lease						
Meters	**3,058**	**(1,473)**	**1,585**	2,807	(1,260)	1,547
Aviation	**–**	**–**	**–**	1,604	(259)	1,345
Telecommunications	**817**	**–**	**817**	1,620	(699)	921
Equipment and others	**1,399**	**(369)**	**1,030**	1,189	(266)	923
Total assets under operating lease	**5,274**	**(1,842)**	**3,432**	7,220	(2,484)	4,736
Right-of-use assets						
Office premises	**1,157**	**(528)**	**629**	1,435	(693)	742
Others	**172**	**(56)**	**116**	124	(35)	89
Total right-of-use assets	**1,329**	**(584)**	**745**	1,559	(728)	831
Total property, plant and equipment and right-of-use assets[1]	**10,193**	**(3,265)**	**6,928**	12,161	(4,027)	8,134

The majority of the above amounts have expected useful lives longer than 12 months after the balance date.

[1] Includes carrying value of $6,124 million (2024: $7,308 million) related to the Consolidated Entity's integrated consolidated businesses and $804 million (2024: $826 million) related to the Consolidated Entity's subsidiaries held for investment purposes with the ultimate intention to sell as part of Macquarie's investment activities.

Note 15

Property, plant and equipment and right-of-use assets continued

The movement in the carrying value of the Consolidated Entity's property, plant and equipment was as follows.

	Land and buildings $m	Furniture, fittings and leasehold improvements $m	Infrastructure assets and equipment $m	Total $m
				CONSOLIDATED
Assets for own use				
Balance as at 1 Apr 2023	835	229	578	1,642
Acquisitions and additions	531	394	633	1,558
Disposals	(1)	(1)	(129)	(131)
Depreciation expense[1]	(5)	(60)	(48)	(113)
Impairments	–	–	(15)	(15)
Reclassification and other adjustments	(13)	–	(384)	(397)
Foreign exchange movements	–	3	20	23
Balance as at 31 Mar 2024[2]	1,347	565	655	2,567
Acquisitions and additions	**86**	**179**	**585**	**850**
Disposals	**–**	**(7)**	**(87)**	**(94)**
Depreciation expense[1]	**(22)**	**(117)**	**(70)**	**(209)**
Impairments	**–**	**(5)**	**(64)**	**(69)**
Reclassification and other adjustments[3]	**4**	**(1)**	**(356)**	**(353)**
Foreign exchange movements	**1**	**11**	**47**	**59**
Balance as at 31 Mar 2025[2]	**1,416**	**625**	**710**	**2,751**

	Meters $m	Aviation $m	Telecommunications $m	Equipment and others $m	Total $m
					CONSOLIDATED
Assets under operating lease					
Balance as at 1 Apr 2023	1,476	1,057	1,033	834	4,400
Acquisitions and additions	254	323	33	392	1,002
Disposals	–	(9)	(2)	(63)	(74)
Depreciation expense	(213)	(40)	(34)	(187)	(474)
Impairments	–	(3)	–	–	(3)
Reclassification and other adjustments[4]	(41)	(13)	(148)	(62)	(264)
Foreign exchange movements	71	30	39	9	149
Balance as at 31 Mar 2024	1,547	1,345	921	923	4,736
Acquisitions and additions	**203**	**51**	**–**	**441**	**695**
Disposals	**–**	**(1,400)**	**–**	**(134)**	**(1,534)**
Depreciation expense	**(225)**	**(37)**	**(27)**	**(186)**	**(475)**
Impairments	**(3)**	**(5)**	**–**	**(15)**	**(23)**
Reclassification and other adjustments[4]	**(40)**	**–**	**(126)**	**(25)**	**(191)**
Foreign exchange movements	**103**	**46**	**49**	**26**	**224**
Balance as at 31 Mar 2025	**1,585**	**–**	**817**	**1,030**	**3,432**

1 Includes depreciation expense of $34 million (2024: $20 million) on infrastructure assets and equipment, and $1 million (2024: $4 million) on buildings, furniture, fittings and leasehold improvements relating to subsidiaries held for investment purposes and presented under net other operating income and charges in Note 2 *Operating profit before income tax.*
2 Includes $307 million (2024: $1,988 million) for capital work in progress.
3 Includes assets reclassified as held for sale in the current year.
4 Includes $90 million gain (2024: $70 million loss) on fair value hedge adjustments. Refer to Note 35 *Hedge accounting.*

Note 15

Property, plant and equipment and right-of-use assets continued

The future minimum lease payments expected to be received under non-cancellable operating leases are as follows.

	CONSOLIDATED 2025 $m	CONSOLIDATED 2024 $m
Assets under operating lease		
Within one year	**249**	480
Between one to two years	**171**	331
Between two to three years	**152**	251
Between three to four years	**114**	200
Between four to five years	**54**	129
Later than five years	**165**	262
Total future minimum lease payments receivable	**905**	1,653

The movement in the carrying value of the Consolidated Entity's right-of-use assets was as follows.

	Office premises $m	Others $m	Total $m
			CONSOLIDATED
Right-of-use assets			
Balance as at 1 Apr 2023	496	101	597
Acquisitions and additions	429	87	516
Disposals	(32)	(64)	(96)
Depreciation expense[1]	(173)	(36)	(209)
Reclassification and other adjustments	1	(1)	–
Foreign exchange movements	21	2	23
Balance as at 31 Mar 2024	742	89	831
Acquisitions and additions	**66**	**119**	**185**
Disposals	**(30)**	**–**	**(30)**
Depreciation expense[1]	**(155)**	**(55)**	**(210)**
Impairments	**(5)**	**–**	**(5)**
Reclassification and other adjustments	**(15)**	**(43)**	**(58)**
Foreign exchange movements	**26**	**6**	**32**
Balance as at 31 Mar 2025	**629**	**116**	**745**

[1] Includes depreciation expense of $146 million (2024: $165 million) on office premise leases presented under other operating expenses, $44 million (2024: $25 million) on assets held for trading-related business presented under net trading income and $3 million (2024: $5 million) on technology leases presented under non-salary technology expenses in Note 2 *Operating profit before income tax*.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 16

Intangible assets

	CONSOLIDATED 2025			CONSOLIDATED 2024		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
	$m	$m	$m	$m	$m	$m
Intangible assets with indefinite useful lives						
Goodwill	**1,159**	**(75)**	**1,084**	2,408	(30)	2,378
Management rights	**–**	**–**	**–**	295	–	295
Intangible assets with finite useful lives						
Management rights and licenses	**192**	**(94)**	**98**	1,320	(518)	802
Customer and servicing contracts	**319**	**(76)**	**243**	848	(362)	486
Software and other intangibles	**488**	**(242)**	**246**	509	(216)	293
Total intangible assets[1]	**2,158**	**(487)**	**1,671**	5,380	(1,126)	4,254

The above amounts are expected to be recovered after 12 months of the balance date by the Consolidated Entity.

In accordance with the Consolidated Entity's accounting policies, assets with an indefinite useful life are tested on an annual basis for impairment, and additionally, along with assets with a finite useful life, whenever an indication of impairment exists. An impairment loss is recognised for the amount by which the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal or its value-in-use. Where required, the recoverable amount is determined either with reference to external valuations or estimated using discounted cash flow techniques. In this case, estimates specific to the asset or CGU are required to be determined, including forecast cash flows, long-term growth rates and discount rates (ranged from 10.0%–13.0%). There was no material impairment or reversal of existing impairment recognised during the year.

The movement in the carrying value of the Consolidated Entity's intangible assets is as follows.

	INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES		INTANGIBLE ASSETS WITH FINITE USEFUL LIVES			
	Goodwill	Management rights	Management rights and licenses	Customer and servicing contracts	Software and other Intangibles	Total
	$m	$m	$m	$m	$m	$m
Balance as at 1 Apr 2023	2,004	308	920	421	174	3,827
Acquisitions[2]	559	–	2	95	391	1,047
Impairments	(8)	–	(2)	–	–	(10)
Amortisation[3]	–	–	(134)	(46)	(25)	(205)
Disposals and reclassifications	(250)	(21)	–	–	(260)	(531)
Foreign exchange movements and other adjustments	73	8	16	16	13	126
Balance as at 31 March 2024	2,378	295	802	486	293	4,254
Acquisitions[2]	**555**	**–**	**1**	**127**	**180**	**863**
Impairments	**(63)**	**–**	**–**	**–**	**(7)**	**(70)**
Amortisation[3]	**–**	**–**	**(127)**	**(52)**	**(41)**	**(220)**
Disposals and reclassifications	**(1,894)**	**(268)**	**(602)**	**(401)**	**(157)**	**(3,322)**
Foreign exchange movements and other adjustments	**108**	**(27)**	**24**	**83**	**(22)**	**166**
Balance as at 31 March 2025	**1,084**	**–**	**98**	**243**	**246**	**1,671**

1 Includes $339 million (2024: $2,832 million) related to the Consolidated Entity's core business operations and $1,332 million (2024: $1,422 million) related to the Consolidated Entity's subsidiaries held for investment purposes with the ultimate intention to sell as part of Macquarie's investment activities.
2 Includes intangible assets acquired as part of business combinations and otherwise.
3 Includes amortisation of $43 million (2024: $41 million) related to the Consolidated Entity's subsidiaries held for investment purposes, presented under net other operating income and charges and $177 million (2024: $164 million) under other operating expenses in Note 2 *Operating profit before income tax*.

Note 17

Investment in subsidiaries

	COMPANY 2025 $m	COMPANY 2024 $m
Investment at cost with no provisions for impairment[1]	**33,395**	33,805
Total investment in subsidiaries	**33,395**	33,805

The above amounts are expected to be recovered after 12 months of the balance date by the Company.

The following are the Company's notable subsidiaries:

BANK GROUP	NON-BANK GROUP	
Macquarie B.H. Pty Ltd (MBHPL)	**Macquarie Financial Limited (MFL)**	**Macquarie Asset Management Holdings Pty Limited (MAMH)**
Australia		
• Macquarie B.H. Pty Ltd • Macquarie Bank Limited • Macquarie Group Services Australia Pty Ltd • Macquarie International Finance Limited • Macquarie Equities Limited • Macquarie Investment Management Ltd	• Macquarie Financial Limited (formerly Macquarie Financial Holdings Pty Limited) • Macquarie Corporate Holdings Pty Limited • Macquarie Securities (Australia) Limited • Macquarie Capital (Australia) Limited	• Macquarie Asset Management Holdings Pty Limited • Macquarie Infrastructure Management (Asia) Pty Limited • Macquarie Investment Management Australia Limited • Macquarie Asset Management US Holdings Pty Limited • Macquarie Specialised Asset Management Ltd • Macquarie Investment Management Global Limited
Asia Pacific		
• Macquarie Global Services Private Limited (India) • Macquarie Group Services (Philippines), Inc. (Philippines)	• Macquarie Capital Limited (Hong Kong)	• Macquarie Korea Asset Management Co., Ltd. (South Korea)
Europe, Middle East and Africa		
• Macquarie Bank Europe Designated Activity Company (Ireland)	• Macquarie Investment Management Europe Limited (United Kingdom) • Macquarie Capital France Société Anonyme (Reporting date 31 December) (France) • Macquarie Capital (Europe) Limited (United Kingdom) • Infinity UK Borrower 1 Limited (United Kingdom)	• Macquarie Infrastructure and Real Assets Investments Limited (United Kingdom) • Macquarie Infrastructure and Real Assets (Europe) Limited (United Kingdom) • Macquarie Asset Management Europe S.à r.l. (Luxembourg)

[1] In accordance with its accounting policies, the Company reviewed its investments in subsidiaries for indicators of impairment. Where its investments had indicators of impairment, the investment's carrying value was compared to its recoverable value which was determined as the higher of value-in-use and fair value less cost to sell (valuation). The valuations, which are classified as Level 3 in the fair value hierarchy (as defined in Note 38 *Fair value of assets and liabilities*), have been calculated using a valuation technique with significant unobservable inputs including the subsidiary's maintainable earnings, growth rates and relevant earnings multiples. A range of valuations of the investments in the subsidiaries, under different scenarios, was used that demonstrated that the recoverable value was either equivalent to or exceeded the current carrying value.

Note 17

Investment in subsidiaries continued

BANK GROUP	NON-BANK GROUP	
Macquarie B.H. Pty Ltd (MBHPL)	**Macquarie Financial Limited (MFL)**	**Macquarie Asset Management Holdings Pty Limited (MAMH)**
Americas		
• Macquarie Energy LLC (United States) • Macquarie Global Services (USA) LLC (United States) • Macquarie Futures USA LLC (United States)	• Macquarie Capital (USA) Inc. (United States) • Macquarie Holdings (U.S.A.) Inc. (United States) • Macquarie PF Inc. (United States) • Infinity US Borrower 1 LLC (United States) • Macquarie PF LLC (United States) • Macquarie Capital Funding LLC (United States)	• Delaware Management Company (United States) • Delaware Distributors, L.P. (United States) • Macquarie Management Holdings, Inc. (United States) • MIP III (ECI) GP LLC (United States)

The subsidiaries included in the notable subsidiaries list above are identified on the basis of their ongoing contribution to the Consolidated Entity's external assets and operating profit. Additionally, these include the major employing entities, entities that are key providers of funding to other subsidiaries and other operating entities considered key for each Operating Group and region.

The list of notable subsidiaries has been categorised based on the geographic region of their incorporation. The country of incorporation has been stated in brackets. For entities in the Australia region, the country of incorporation is Australia. Overseas subsidiaries and their branches conduct business predominantly in the place of incorporation and location of their branches. Notable subsidiaries may conduct business in other geographic regions through branches. The branches have not been separately included in the list of notable subsidiaries.

All notable subsidiaries have a 31 March reporting date, except for specific cases covered above.

Significant restrictions

During the year, the Company's subsidiaries did not experience any significant restrictions on paying dividends, accessing or using assets and settling liabilities of the Group. There are no foreseen restrictions envisaged with regard to planned dividends or payments. However, the ability of subsidiaries to pay dividends or advance monies to the Group depends on, among other things, their respective local regulatory capital and banking requirements, exchange controls, statutory reserves, and financial and operating performance.

Non-controlling interest

Details of non-controlling interest are covered in Note 28 *Reserves, retained earnings and non-controlling interests*.

Consolidated Entity Disclosure Statement

Complete list of the Company's controlled entities is provided in the Consolidated Entity Disclosure Statement.

Note 18

Deferred tax assets/(liabilities)

The balance comprises temporary differences attributable to:

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
	$m	$m	**$m**	$m
Other assets and liabilities	**1,708**	1,743	**43**	43
Financial investments, interests in associates and joint ventures and subsidiaries	**630**	461	**–**	–
Tax losses	**371**	506	**–**	–
Intangible assets	**314**	304	**–**	–
Property, plant and equipment	**87**	144	**–**	–
Loan assets and derivatives	**141**	176	**6**	4
Operating and finance leases	**47**	31	**–**	–
Set-off of deferred tax liabilities	**(1,213)**	(1,288)	**(12)**	(6)
Net deferred tax assets	**2,085**	2,077	**37**	41
Property, plant and equipment	**(40)**	(51)	**–**	–
Loan assets and derivatives	**(87)**	(112)	**(12)**	(6)
Other assets and liabilities	**(200)**	(181)	**–**	–
Intangible assets	**(150)**	(391)	**–**	–
Operating and finance leases	**(302)**	(289)	**–**	–
Financial investments, interests in associates and joint ventures and subsidiaries	**(706)**	(647)	**–**	–
Set-off of deferred tax assets	**1,213**	1,288	**12**	6
Net deferred tax liabilities	**(272)**	(383)	**–**	–

The above amounts are expected to be recovered more than 12 months after the balance date by the Consolidated Entity and the Company.

Potential tax assets of approximately $545 million (2024: $517 million) attributable to tax losses carried forward by subsidiaries and other timing differences have not been brought to account in the Consolidated Entity as management do not believe that the realisation of the tax assets is probable. Included in this amount are gross losses of $83 million (2024: $142 million) that will expire within two years, $117 million (2024: $200 million) that will expire in 2–5 years, $120 million (2024: $231 million) that will expire in 5–10 years and $362 million (2024: $547 million) that will expire in 10–20 years. $1,528 million (2024: $1,276 million) of gross tax losses do not expire and can be carried forward indefinitely.

Note 19

Deposits

Interest bearing deposits:				
Call	**130,172**	102,764	**–**	–
Term	**19,756**	21,893	**–**	–
Non-interest bearing deposits - repayable on demand	**27,743**	23,759	**–**	–
Total deposits	**177,671**	148,416	**–**	–

Note 20
Trading liabilities

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
	$m	$m	**$m**	$m
Equity securities	**5,575**	4,991	**–**	–
Debt securities	**82**	53	**–**	–
Commodities	**194**	–	**–**	–
Total trading liabilities	**5,851**	5,044	**–**	–

Note 21
Margin money and settlement liabilities

Margin money	**16,004**	17,793	**–**	–
Security settlement liabilities	**6,365**	6,253	**–**	–
Commodity settlement liabilities	**6,476**	4,377	**–**	–
Total margin money and settlement liabilities	**28,845**	28,423	**–**	–

Note 22
Derivative liabilities

Held for trading	**20,779**	21,808	**10**	5
Designated in hedge relationships	**2,589**	3,777	**–**	–
Total derivative liabilities	**23,368**	25,585	**10**	5

Note 23
Held for sale and other liabilities

	CONSOLIDATED		COMPANY	
	2025 $m	2024 $m	2025 $m	2024 $m
Held for sale liabilities				
Liabilities of disposal groups	**1,946**	407	**–**	–
Other liabilities				
Other financial liabilities				
Commodity-related payables	**3,752**	3,848	**–**	–
Trade and other payables	**2,187**	1,831	**20**	36
Lease liabilities	**941**	918	**–**	–
Insurance contract liabilities	**742**	–	**–**	–
Total other financial liabilities	**7,622**	6,597	**20**	36
Other non-financial liabilities				
Employment-related liabilities	**3,203**	3,485	**85**	95
Provisions[1]	**1,631**	1,782	**10**	10
Accrued charges and other payables	**983**	867	**4**	3
Income tax provision[2]	**908**	785	**160**	24
Income received in advance	**372**	504	**–**	–
Indirect taxes payables	**253**	260	**2**	1
Others	**1**	192	**–**	–
Total other non-financial liabilities	**7,351**	7,875	**261**	133
Total other liabilities	**14,973**	14,472	**281**	169

1 In the ordinary course of its business, the Consolidated Entity and the Company may be subject to actual and potential civil claims and regulatory enforcement actions. During the current year, these include matters in the Commonwealth of Australia, the United States of America, the United Kingdom, and the Federal Republic of Germany. The civil claims may result in settlements or damages awards. The regulatory enforcement actions may result in outcomes such as penalties, fines, disgorgement of profits and non-monetary sanctions. This amount includes provisions for such outcomes. The amount and timing of the outcomes are uncertain and may differ from the provisions recognised. Based on existing information and range of likely outcomes, the matters did not have and are not currently expected to have a material impact on the Consolidated Entity. The Consolidated Entity and the Company consider the risk of there being a material adverse effect in respect of claims and actions that have not been provided for to be remote.

2 Revenue authorities undertake risk reviews and audits as part of their normal activities. The Consolidated Entity and the Company has assessed these and other taxation claims and litigation, including seeking external advice where appropriate, and considers that it holds appropriate provisions.

Note 24

Issued debt securities and other borrowings

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
	$m	$m	**$m**	$m
Bonds	**55,122**	57,233	**33,183**	35,242
Commercial paper	**39,134**	26,025	**131**	–
Securitised notes[1]	**10,749**	11,621	**–**	–
Structured notes[2,3]	**2,567**	1,991	**1,898**	1,470
Certificates of deposit	**2,034**	1,333	**–**	–
Other debt securities[2,3]	**472**	559	**–**	–
Total issued debt securities	**110,078**	98,762	**35,212**	36,712
Borrowings	**25,094**	21,116	**8,094**	6,423
Total issued debt securities and other borrowings	**135,172**	119,878	**43,306**	43,135

Reconciliation of issued debt securities and other borrowings by major currency				
(In Australian dollar equivalent)				
United States dollar	**84,078**	74,384	**26,817**	29,103
Euro	**20,383**	13,179	**7,100**	5,803
Australian dollar	**16,005**	19,660	**252**	253
Pound sterling	**8,356**	6,891	**4,230**	3,291
Japanese yen	**2,452**	2,286	**2,074**	1,971
Other	**3,898**	3,478	**2,833**	2,714
Total issued debt securities and other borrowings	**135,172**	119,878	**43,306**	43,135

1 Represents payable to note holders and debt holders of instruments issued by consolidated Structured Entities (SEs) for which loan assets are available as security. Refer Note 40 *Pledged assets and transfers of financial assets* for the details of assets pledged for the liabilities of the Consolidated Entity.

2 The amount that would be contractually required to be paid at maturity to the holders of issued debt securities measured at DFVTPL for the Consolidated Entity is $4,703 million (2024: $3,868 million) and for the Company is $3,040 million (2024: $2,470 million). This amount is based on the final notional amount rather than the fair value. Refer to Note 37 *Measurement categories of financial instruments* for the carrying value of issued debt securities measured at DFVTPL.

3 The Consolidated Entity includes a cumulative fair value gain recognised in OCI of $32 million (2024: $14 million) and the Company includes a cumulative fair value gain recognised in OCI of $30 million (2024: $15 million) due to changes in own credit risk on issued debt securities measured at DFVTPL.

Note 25

Capital management

Capital management strategy

The Consolidated Entity's capital management strategy is to determine and maintain appropriate capital levels to support the Consolidated Entity's businesses. This includes generating appropriate returns on capital and managing capital in a manner consistent with the expectations of external stakeholders, including regulators, investors and rating agencies.

The Consolidated Entity's capital management objectives are to maintain sufficient capital resources to:

- support the Consolidated Entity's business and operational requirements;
- safeguard interests of depositors and the Consolidated Entity's ability to continue as a going concern;
- exceed regulatory capital requirements; and
- support the Consolidated Entity's credit ratings.

The Consolidated Entity's capital management strategy uses both internal and external measures of capital. Internally, the Consolidated Entity has developed an Economic Capital Adequacy Model (ECAM) that is used to quantify the Consolidated Entity's aggregate level of risk, including specific risk types such as credit, equity, market and operational risk. Externally, the Consolidated Entity is subject to minimum capital requirements imposed by APRA.

The internal and external measures of capital are used to inform the capital management strategy and support business decision-making including:

- capital adequacy assessment;
- risk appetite setting; and
- risk-adjusted performance measurement.

Regulatory capital framework

Regulatory capital requirements are imposed and measured at three levels of consolidation within the Consolidated Entity:

- **Level 1:** MBL and certain subsidiaries which meet the APRA definition of Extended Licensed Entities
- **Level 2:** MBL, its subsidiaries and its immediate parent less certain subsidiaries of MBL which are deconsolidated for APRA reporting purposes. These include entities conducting insurance, funds management and non-financial operations
- **Level 3:** The Level 2 group plus the Non-Bank Group. In determining the capital requirements, transactions internal to the Consolidated Entity are eliminated.

MBL, a wholly owned subsidiary of the Company, is an APRA regulated ADI and is subject to the prevailing APRA ADI Prudential Standard requirements. MBL 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).

The Company and Consolidated Entity, as an APRA authorised and regulated NOHC, is regulated on a Level 3 basis and is required to maintain minimum regulatory capital calculated as the sum of:

- MBL's minimum Tier 1 capital requirement, based on a percentage of risk-weighted assets (RWAs) plus Tier 1 deductions per the prevailing APRA ADI Prudential Standards; and
- The Non-Bank Group capital requirement, per the Consolidated Entity's ECAM.

The Consolidated Entity's Level 3 eligible capital consists of ordinary share capital, retained earnings, certain reserves and hybrid instruments. The overall Level 3 capital position is reported as an excess over the regulatory minimum capital adequacy requirement.

The Consolidated Entity has complied with minimum capital requirements at Level 1, Level 2 and Level 3 throughout the financial year.

Note 26

Loan capital

Subordinated debt

Subordinated debt comprises of agreements between the Consolidated Entity and its lenders that provide that, in the event of liquidation, 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 the Consolidated Entity.

The table below highlights key capital instruments with conditional repayment obligations (Tier 1 loan capital under APRA's Capital Standards) issued by the Consolidated Entity.

Contract feature	Macquarie Group Capital Notes 4	Macquarie Group Capital Notes 5	Macquarie Group Capital Notes 6
Code	MCN4	MCN5	MCN6
Issuer	Macquarie Group Limited	Macquarie Group Limited	Macquarie Group Limited
Par value	$100	$100	$100
Currency	AUD	AUD	AUD
Carrying value at reporting date	$905 million	$725 million	$750 million
Accounting measurement basis	Financial liability at amortised cost	Financial liability at amortised cost	Financial liability at amortised cost
Issue date	27 March 2019	17 March 2021	15 July 2022
Interest rate	90-day BBSW plus a fixed margin of 4.15% per annum, adjusted for franking credits	90-day BBSW plus a fixed margin of 2.90% per annum, adjusted for franking credits	90-day BBSW plus a fixed margin of 3.70% per annum, adjusted for franking credits
Interest payment frequency	Quarterly in arrears	Quarterly in arrears	Quarterly in arrears
Interest payment	Discretionary, non-cumulative	Discretionary, non-cumulative	Discretionary, non-cumulative
Dividend stopper	Yes	Yes	Yes
Outstanding notes at reporting date	9.05 million	7.25 million	7.5 million
Maturity	Perpetual unless redeemed, resold, converted, exchanged or written-off earlier in accordance with the terms of the instrument	Perpetual unless redeemed, resold, converted, exchanged or written-off earlier in accordance with the terms of the instrument	Perpetual unless redeemed, resold, converted, exchanged or written-off earlier in accordance with the terms of the instrument
Convertible into ordinary shares	Yes	Yes	Yes
Convertible into issuer shares	MGL	MGL	MGL
Mandatory conversion date	10 September 2029	18 September 2030	12 September 2032
Maximum number of shares on conversion	35,439,961	24,641,304	22,525,190
Optional exchange dates	• 10 September 2026 • 10 March 2027 • 10 September 2027 earlier in specified circumstances at the discretion of MGL subject to APRA approval	• 18 September 2027 • 18 March 2028 • 18 September 2028 earlier in specified circumstances at the discretion of MGL subject to APRA approval	• 12 September 2029 • 12 March 2030 • 12 September 2030 earlier in specified circumstances at the discretion of MGL subject to APRA approval
Other exchange events	• acquisition date (where a party acquires control of MGL) • where APRA determines MGL would be non-viable without an exchange or a public sector injection of capital (or equivalent support)	• acquisition date (where a party acquires control of MGL) • where APRA determines MGL would be non-viable without an exchange or a public sector injection of capital (or equivalent support)	• acquisition date (where a party acquires control of MGL) • where APRA determines MGL would be non-viable without an exchange or a public sector injection of capital (or equivalent support)
EPS Dilution	Anti-Dilutive	Anti-Dilutive	Anti-Dilutive
Capital treatment	Eligible hybrid capital	Eligible hybrid capital	Eligible hybrid capital

Macquarie Group Capital Notes 7	Macquarie Additional Capital Securities	Macquarie Bank Capital Notes 2	Macquarie Bank Capital Notes 3
MCN7	MACS	BCN2	BCN3
Macquarie Group Limited	Macquarie Bank Limited	Macquarie Bank Limited	Macquarie Bank Limited
$100	n/a	$100	$100
AUD	USD	AUD	AUD
$1,500 million	$US750 million/($A1,166 million)	$641 million	$655 million
Financial liability at amortised cost	Financial liability at amortised cost	Financial liability at amortised cost	Financial liability at amortised cost
16 September 2024	8 March 2017	2 June 2020	27 August 2021
90-day BBSW plus a fixed margin of 2.65% per annum, adjusted for franking credits	6.125% per annum	90-day BBSW plus a fixed margin of 4.70% per annum, adjusted for franking credits	90-day BBSW plus a fixed margin of 2.90% per annum, adjusted for franking credits
Quarterly in arrears	Semi-annually in arrears	Quarterly in arrears	Quarterly in arrears
Discretionary, non-cumulative	Discretionary, non-cumulative	Discretionary, non-cumulative	Discretionary, non-cumulative
Yes	MBL only	MBL only	MBL only
15 million	-[1]	6.41 million	6.55 million
Perpetual unless redeemed, resold, converted, exchanged or written-off earlier in accordance with the terms of the instrument	Perpetual, redeemed subject to APRA's written approval, and at the discretion of MBL in limited circumstances	Perpetual unless redeemed, resold, converted, exchanged or written-off earlier in accordance with the terms of the instrument	Perpetual unless redeemed, resold, converted, exchanged or written-off earlier in accordance with the terms of the instrument
Yes	Yes	Yes	Yes
MGL	MGL	MGL	MGL
15 December 2034	n/a	21 December 2028	8 September 2031
34,538,337	56,947,286	30,532,190	20,316,704
• 15 December 2031 • 15 June 2032 • 15 December 2032 earlier in specified circumstances at the discretion of MGL subject to APRA approval	No optional exchange dates	• 21 December 2025 • 21 June 2026 • 21 December 2026 earlier in specified circumstances at the discretion of MGL subject to APRA approval	• 7 September 2028 • 7 March 2029 • 7 September 2029 earlier in specified circumstances at the discretion of MBL subject to APRA approval
• acquisition date (where a party acquires control of MGL) • where APRA determines MGL would be non-viable without an exchange or a public sector injection of capital (or equivalent support)	• acquisition date (where a party acquires control of MBL or MGL) • where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support) • where MBL's common equity Tier 1 capital ratio falls below 5.125%	• acquisition date (where a party acquires control of MBL or MGL) • where APRA determines MBL would be non-viable without an exchange or conversion or write off, of other Relevant Tier 1 securities is necessary or a public sector injection of capital (or equivalent support) • where MBL's common equity Tier 1 Capital ratio falls below 5.125%	• acquisition date (where a party acquires control of MBL or MGL) • where APRA determines MBL would be non-viable without an exchange or conversion or write off, of other Relevant Tier 1 securities is necessary or a public sector injection of capital (or equivalent support) • where MBL's common equity Tier 1 Capital ratio falls below 5.125%
Anti-Dilutive	n/a	Anti-Dilutive	Anti-Dilutive
Eligible hybrid capital	Additional Tier 1 capital	Additional Tier 1 capital	Additional Tier 1 capital

[1] As at 31 March 2025, the $US750 million of MACS were held by an authorised representative for the Depository Trust Company being the common depository for the MACS global security.

Note 26

Loan capital continued

In addition to the subordinated debt with conditional repayment obligations, the Consolidated Entity has also issued certain capital instruments with fixed repayment obligations, denominated in United States dollars and Australian dollars which are eligible Tier 2 capital under APRA's capital standards.

The table below discloses the carrying value of Loan capital at the balance date. Where these instruments are designated in fair value hedge accounting relationships, the carrying value includes the fair value hedge adjustment (refer to Note 35 *Hedge accounting*). The contractual undiscounted cash flows are disclosed in Note 36.2 *Liquidity risk*.

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
	$m	$m	**$m**	$m
Subordinated debt with fixed repayment obligations (Tier 2 loan capital) by contractual maturity dates:				
10 June 2025	**1,195**	1,112	**–**	–
28 May 2030	**750**	750	**–**	–
3 June 2030	**1,022**	935	**–**	–
17 June 2031	**750**	750	**–**	–
7 June 2032	**847**	843	**–**	–
18 January 2033	**1,548**	1,460	**–**	–
1 March 2034	**1,257**	1,256	**–**	–
20 February 2035	**1,250**	–	**–**	–
3 March 2036	**1,393**	1,285	**–**	–
Instruments with conditional repayment obligations (Tier 1 loan capital):				
MCN3	**–**	1,000	**–**	1,000
MCN4	**905**	905	**905**	905
MCN5	**725**	725	**725**	725
MCN6	**750**	750	**750**	750
MCN7	**1,500**	–	**1,500**	–
MACS	**1,166**	1,085	**–**	–
BCN2	**641**	641	**–**	–
BCN3	**655**	655	**–**	–
Accrued interest payable as per terms of instruments:				
Less than 12 months	**110**	101	**12**	12
	16,464	14,253	**3,892**	3,392
Less: directly attributable issuance costs	**(63)**	(52)	**(35)**	(21)
Total loan capital	**16,401**	14,201	**3,857**	3,371

Reconciliation of loan capital by major currency				
(In Australian dollar equivalent)				
Australian dollar	**10,078**	8,315	**3,892**	3,392
United States dollar	**6,386**	5,938	**–**	–
	16,464	14,253	**3,892**	3,392
Less: directly attributable issuance costs	**(63)**	(52)	**(35)**	(21)
Total loan capital	**16,401**	14,201	**3,857**	3,371

The Consolidated Entity and the Company have not had any defaults of principal, interest or other breaches with respect to their loan capital during the financial years reported.

Note 27
Contributed equity

	Notes	CONSOLIDATED 2025 $m	CONSOLIDATED 2024 $m	COMPANY 2025 $m	COMPANY 2024 $m
Ordinary share capital		**13,834**	14,156	**16,244**	16,593
Treasury shares		**(2,764)**	(2,784)	**(2,764)**	(2,784)
Total contributed equity		**11,070**	11,372	**13,480**	13,809

	Notes	CONSOLIDATED Number of shares	CONSOLIDATED Total $m	COMPANY Number of shares	COMPANY Total $m
(i) Ordinary share capital[1]					
Balance as at 1 Apr 2023		386,476,754	14,735	386,476,754	17,200
For employee MEREP awards:					
Transfer from share-based payments reserve on vesting of MEREP awards	28	–	607	–	607
Transfer of deferred tax benefit on MEREP from share-based payments reserve on vesting of MEREP awards	28	–	30	–	2
Transfer from treasury shares for MEREP awards exercised		–	(572)	–	(572)
On-market share buyback[2]		(3,514,221)	(644)	(3,514,221)	(644)
Balance as at 31 Mar 2024		**382,962,533**	**14,156**	**382,962,533**	**16,593**
For employee MEREP awards:					
Transfer from share-based payments reserve on vesting of MEREP awards	28	**–**	**705**	**–**	**705**
Transfer of deferred tax benefit on MEREP from share-based payments reserve on vesting of MEREP awards	28	**–**	**29**	**–**	**2**
Transfer from treasury shares for MEREP awards exercised		**–**	**(687)**	**–**	**(687)**
On-market share buyback[2]		**(1,824,118)**	**(369)**	**(1,824,118)**	**(369)**
Balance as at 31 Mar 2025		**381,138,415**	**13,834**	**381,138,415**	**16,244**
(ii) Treasury shares[3]					
Balance as at 1 Apr 2023		(16,724,053)	(2,328)	(16,724,053)	(2,328)
Acquisition of shares for employee MEREP awards		(5,737,537)	(1,028)	(5,737,537)	(1,028)
Transfer to ordinary share capital for MEREP awards exercised		4,548,969	572	4,548,969	572
Acquisition of shares for allocation under DRP scheme		(322,890)	(54)	–	–
Allocation of shares under DRP scheme		322,890	54	–	–
Acquisition of shares for allocation under ESP scheme		(14,346)	(2)	–	–
Allocation of shares under ESP scheme		14,346	2	–	–
Balance as at 31 Mar 2024		**(17,912,621)**	**(2,784)**	**(17,912,621)**	**(2,784)**
Acquisition of shares for employee MEREP awards		**(3,482,352)**	**(667)**	**(3,482,352)**	**(667)**
Transfer to ordinary share capital for MEREP awards exercised		**4,891,717**	**687**	**4,891,717**	**687**
Acquisition of shares for allocation under DRP scheme		**(1,294,711)**	**(265)**	**–**	**–**
Allocation of shares under DRP scheme		**1,294,711**	**265**	**–**	**–**
Acquisition of shares for allocation under ESP scheme		**(10,892)**	**(3)**	**–**	**–**
Allocation of shares under ESP scheme		**10,892**	**3**	**–**	**–**
Balance as at 31 Mar 2025		**(16,503,256)**	**(2,764)**	**(16,503,256)**	**(2,764)**

1 Ordinary shares have no par value.
2 On 3 November 2023, the Company announced that the Board approved an on-market share buyback of up to $2 billion of MGL shares. During the financial year, 1,824,118 (2024: 3,514,221) ordinary shares were bought back at an average of $202.29 (2024: $183.26 per share). The shares bought back were subsequently cancelled. On 1 November 2024, the Company announced that the Board approved an extension of the on-market share buyback of up to $2 billion for a further 12 months.
3 Under MEREP, a portion of staff retained profit share is held in MGL ordinary shares by the MEREP Trust and is presented as Treasury shares. The Consolidated Entity has resolved to purchase additional Treasury shares to satisfy MEREP requirements of approximately $694 million, commencing on 19 May 2025. Ordinary shares will be issued if purchasing becomes impractical or inadvisable. For further information regarding terms and conditions of MEREP refer to Note 32 *Employee equity participation*.

Note 28

Reserves, retained earnings and non-controlling interests

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	$m	$m	$m	$m
(i) Reserves				
Foreign currency translation reserve				
Balance at the beginning of the financial year	2,072	1,632	–	–
Foreign exchange movement on translation and hedge accounting of foreign operations, net of tax	821	440	–	–
Balance at the end of the financial year	2,893	2,072	–	–
FVOCI reserve and other reserves				
Balance at the beginning of the financial year	(2)	30	1	–
Revaluation movement, net of tax	(27)	(8)	2	1
Changes in ECL allowance, net of tax	(11)	(24)	–	–
Balance at the end of the financial year	(40)	(2)	3	1
Share-based payments reserve				
Balance at the beginning of the financial year	1,821	1,621	1,756	1,572
MEREP share-based payment arrangements[1]	817	799	817	799
Deferred tax on MEREP share-based payment arrangements	6	46	–	2
Transfer to ordinary share capital on vesting of MEREP awards	(705)	(607)	(705)	(607)
Transfer of deferred tax benefit to ordinary share capital on vesting of MEREP awards	(29)	(30)	(2)	(2)
Transfer to retained earnings for forfeited and unexercised awards	(3)	(8)	(3)	(8)
Balance at the end of the financial year	1,907	1,821	1,863	1,756
Cash flow hedge reserve				
Balance at the beginning of the financial year	22	21	(13)	(13)
Revaluation movement, net of tax	69	(41)	1	(14)
Transferred to income statement on realisation, net of tax	26	42	9	14
Balance at the end of the financial year	117	22	(3)	(13)
Cost of hedging reserves				
Balance at the beginning of the financial year	(72)	(30)	–	–
Revaluation movement, net of tax	9	(55)	–	–
Transferred to income statement on realisation, net of tax	12	13	–	–
Balance at the end of the financial year	(51)	(72)	–	–
Share of reserves in associates and joint ventures				
Balance at the beginning of the financial year	50	28	–	–
Share of other comprehensive income from associates and joint ventures, net of tax	(47)	22	–	–
Balance at the end of the financial year	3	50	–	–
Total reserves at the end of the financial year	4,829	3,891	1,863	1,744

[1] Represents share based payment expense in relation to MEREP issued to employees of the Company's subsidiaries (Note 32 *Employee equity participation*).

Note 28

Reserves, retained earnings and non-controlling interests continued

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
	$m	$m	**$m**	$m
(ii) Retained earnings				
Balance at the beginning of the financial year	**18,218**	17,446	**15,854**	16,677
Profit attributable to the ordinary equity holders of Macquarie Group Limited	**3,715**	3,522	**2,109**	1,899
Dividends paid on ordinary share capital (Note 5)	**(2,452)**	(2,716)	**(2,436)**	(2,695)
Movement due to change in non-controlling ownership interest	**(19)**	4	**–**	–
Remeasurement of defined benefit plans	**4**	(2)	**–**	–
Fair value changes attributable to own credit risk on debt designated at FVTPL, net of tax	**(12)**	(44)	**(10)**	(35)
Transferred from share-based payment reserve for forfeited MEREP awards	**3**	8	**3**	8
Balance at the end of the financial year	**19,457**	18,218	**15,520**	15,854
(iii) Non-controlling interests				
Share capital	**790**	748	**–**	–
Reserves	**(146)**	(56)	**–**	–
Retained earnings	**(211)**	(177)	**–**	–
Total non-controlling interests	**433**	515	**–**	–

Note 29

Notes to the statements of cash flows

(i) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year are reflected in the relevant items in the Statements of financial position as follows.

Cash and bank balances[1,2]	**19,936**	23,232	**–**	–
Cash collateralised lending and reverse repurchase agreements	**39,746**	33,289	**–**	–
Financial investments[3]	**1,956**	2,251	**–**	–
Held for sale assets	**425**	160	**–**	–
Cash and cash equivalents at the end of the financial year	**62,063**	58,932	**–**	–

1 Amounts excluded from cash and cash equivalents but presented in the Statements of financial position as Cash and bank balances primarily relates to $5,823 million (2024: $8,021 million) of funds received from clients which are segregated from the Consolidated Entity's own funds and other balances of $626 million (2024: $602 million), not readily available to meet the Consolidated Entity's short-term cash commitments.

2 Includes $2,358 million (2024: $2,004 million) of balances held by consolidated SEs that are restricted from use by the Consolidated Entity, balances required to be maintained with central banks and other regulatory authorities and balances held in countries where remittance of cash outside the country is subject to certain restrictions.

3 The Consolidated Entity maintains a portfolio of highly liquid unencumbered assets, including financial investments across various contractual maturities, for liquidity purposes. Financial investments that qualify as cash and cash equivalents have been adjusted to exclude investments with a residual maturity of three months or less at the balance date but whose maturity exceeded three months at the date of acquisition. Comparative information has been represented to conform to changes in the current year. For the year ended 31 March 2024, cash and cash equivalents at the beginning and at the end of the year decreased by $6,602 million and $7,833 million, respectively, and cash flows from the operating activities under liquid asset holdings decreased by $1,231 million.

Note 29

Notes to the statements of cash flows continued

	CONSOLIDATED		COMPANY	
	2025 $m	2024 $m	2025 $m	2024 $m
(ii) Reconciliation of profit after income tax to net cash flows generated from/(utilised in) operating activities				
Profit after income tax	3,742	3,535	2,109	1,899
Adjustments to profit after income tax:				
Depreciation and amortisation	1,073	997	3	(4)
Credit and other impairment (reversal)/charges	359	(369)	–	–
Investment and other income	(611)	(1,022)	–	–
Share-based payments expense	843	799	–	–
Share of net profits of associates and joint ventures	(167)	49	–	–
Changes in assets and liabilities:				
Issued debt securities, borrowings and other funding	1,979	6,586	(1,681)	3,217
Deposits	29,169	13,480	–	–
Trading and related assets and collateralised lending balances (net of liabilities)	(5,068)	(10,903)	–	–
Liquid asset holdings	3,874	(1,890)	657	(1,755)
Debtors, prepayments, accrued charges and creditors	(553)	(880)	23	3
Carrying values of associates due to dividends received	206	185	–	–
Other assets and liabilities	171	(78)	(9)	15
Tax balances	(140)	(341)	(365)	(432)
Interest, fee and commission receivable and payable	(316)	18	(41)	75
Assets under operating lease	(535)	(960)	–	–
Loan assets and balances with subsidiaries	(27,692)	(17,031)	1,887	2,549
Net cash flows generated from/(utilised in) operating activities	**6,334**	(7,825)	**2,583**	5,567

(iii) Non-cash financing activities

During the year ended 31 March 2025 and 31 March 2024, there were no non-cash financing transactions.

(iv) Reconciliation of loan capital

	CONSOLIDATED 2025 $m	CONSOLIDATED 2024 $m	COMPANY 2025 $m	COMPANY 2024 $m
Balance at the beginning of the financial year	14,201	12,891	3,371	3,362
Cash flows:[1,2]				
Issuance	2,723	1,246	1,477	–
Redemption	(1,000)	–	(1,000)	–
Non-cash changes:				
Foreign currency translation and other movements	477	64	9	9
Balance at the end of the financial year	**16,401**	14,201	**3,857**	3,371

[1] During the year ended 31 March 2025, the Consolidated Entity issued MCN7 for $1,477 million and and redeemed MCN3 for $1,000 million. These are perpetual securities which are eligible for conversion into a variable number of Consolidated Entity's ordinary shares on the scheduled mandatory exchange date, provided the exchange conditions are satisfied, unless redeemed, resold or written off earlier. Refer to Note 26 *Loan capital* for details.

[2] During the year ended 31 March 2025, the Consolidated Entity raised $1,246 million (2024: $1,246 million) net of cost of issuance through the issue of Tier 2 loan capital under fixed repayment obligations.

Note 30

Related party information

Transactions between the Company and its subsidiaries principally arise from the provision and repayment of funding arrangements which are repayable on demand or may be extended on a term basis and where appropriate may be either subordinated or collateralised, provision of banking and other financial services, provision of management and administration services, provision of guarantees, capital, distribution and trading activities including derivative transactions for managing and hedging market risks that are governed by standard market practices and arrangements under ISDA Master Agreement, Global Master Repurchase Agreement (GMRA) and other brokerage agreements.

The Master Loan Agreement (MLA) governs the funding and netting arrangements between various subsidiaries which are under the common control of MGL and which have acceded to the MLA.

The Tripartite Outsourcing Major Services Agreement (TOMSA) governs the provision of intra-group services between subsidiaries other than certain excluded entities.

The Company, as the ultimate parent entity of the Consolidated Entity, is the head entity of the Australian tax consolidated group and has entered into a tax funding agreement with its eligible Australian resident subsidiaries. The terms and conditions of this agreement are set out in Note 44(vi) *Taxation*.

Subsidiaries

Amounts due from and due to subsidiaries are presented separately in the Statement of financial position of the Company except when the parties have the legal enforceable right and the intention to offset. Due from and due to subsidiaries balance primarily represents loans, receivables and payables presented net as per the terms of the funding arrangements under the MLA, amounts in respect of MEREP awards offered to its subsidiaries' employees, bespoke funding agreements and trading-related balances including derivatives designated in hedge accounting relationships.

A list of notable subsidiaries is set out in Note 17 *Investment in subsidiaries*.

The following represents transactions with subsidiaries during the financial year:

	COMPANY	
	2025	2024
	$'000	$'000
The following represents transaction balances with subsidiaries during the financial year:		
Interest income	**2,463,342**	1,864,059
Interest expense	**(642,269)**	(100,939)
Fees and commission income	**10,534**	7,762
Investment income:		
Dividend (Note 2)	**2,224,000**	2,079,000
Other charges	**(19,332)**	(57,903)
Operating expenses	**(2,493)**	–
Share based payments	**816,690**	798,464
The following represents outstanding balances and off-balance sheet arrangements with subsidiaries as at the reporting date:		
On Balance Sheet		
Due from subsidiaries	**50,444,246**	49,711,648
Due to subsidiaries	**(6,691,098)**	(7,257,460)
Off-Balance Sheet		
Guarantees provided[1]	**(7,924,469)**	(7,327,080)
Letter of Credit and Guarantee received	**18,200**	18,200

[1] Includes guarantees to counterparties with respect to their exposures from certain trading subsidiaries having notional value of $11,926,252 thousand (2024: $12,295,858 thousand) with the amount disclosed in the table above being the component of that guarantee value equivalent to the fair value of the underlying risk position at the reporting date. Guarantee exposures reported in table above are also included under undrawn credit commitments in Note 13 *Expected Credit Losses* and Note 36.1 *Credit risk*.

Note 30

Related party information continued

Associates and joint ventures

The Consolidated Entity provides a range of services to its associates and joint ventures, including the provision of corporate advisory, management services, lending and borrowing activities. Other transactions with associates and joint ventures may involve the sale of the Consolidated Entity's interest in subsidiaries, associates or joint ventures or financial investments as part of fund management activities, disclosed in Note 42 *Acquisitions and disposals of businesses and subsidiaries*.

Balances may arise between the Consolidated Entity and its associates and joint ventures from lending and borrowing activities, with loans generally extended on a term basis and, where appropriate, are either subordinated or collateralised.

During the financial year, the following amounts of income/(expense) resulted from transactions with associates and joint ventures:

	CONSOLIDATED	
	2025	2024
	$'000	$'000
Interest income	**125,267**	87,174
Net fee and commission income[1]	**2,201,331**	1,891,811
Other income	**5,259**	8,909

Dividends and distributions of $193,557 thousand (2024: $217,905 thousand) received from associates were recorded as a reduction from the carrying amount of the investment.

The following represents balances and off-balance sheet arrangements with associates and joint ventures that were outstanding at the reporting date (these exclude amounts which in substance form part of the Consolidated Entity's net investment in associates and joint ventures, disclosed in Note 14 *Interests in associates and joint ventures*).

On Balance Sheet		
Amounts receivable[2]	**1,742,019**	1,509,862
Amounts payable	**(254,519)**	(270,069)
Off Balance Sheet		
Undrawn credit facilities, debt and equity commitments	**(2,013,793)**	(1,954,475)
Guarantees	**(27,572)**	(10,667)
Letter of credit	**(24,071)**	(53,452)

[1] Includes $787,511 thousand (2024: $622,307 thousand) of performance fees.
[2] Includes $1,170,901 thousand (2024: $1,047,649 thousand) of fee and commission receivable and fee-related contract assets from Macquarie-managed funds.

Note 31

Key management personnel disclosure

Key management personnel (KMP)

The following persons were Directors of the Company during the financial years ended 31 March 2025 and 31 March 2024, unless indicated otherwise.

Executive Voting Director

S.R. Wikramanayake	CEO

Non-Executive Directors

G.R. Stevens AC	Chair
J.R. Broadbent AC	
P.M. Coffey	
M.A. Hinchliffe	
S.J. Lloyd-Hurwitz[1]	(appointed to the MGL Board effective from 1 June 2023)
R.J. McGrath	
M. Roche	

Former Non-Executive Directors

N.M. Wakefield Evans AM[2]	(ceased to be a member of the MGL Board on 29 February 2024)

In addition to the Executive Voting Director listed above, the following persons also had authority and responsibility for planning, directing and controlling the activities of MGL during the financial years ended 31 March 2025 and 31 March 2024, unless indicated otherwise.

Current Executives[3]

G.N. Bruce	GGC, Head of LGG
A. Cassidy	CRO, Head of RMG
S.D. Green	Macquarie Bank CEO
A.H. Harvey	CFO, Head of FPE
M.J. Silverton	Head of Macquarie Capital
N. Sorbara	COO, Head of COG
G.C. Ward	Deputy Managing Director and Head of BFS
B.I. Way	Head of MAM
S.L. Wright	Head of CGM (appointed to the Executive Committee effective from 1 April 2024)

Former Executive Director

N. O'Kane	Former Head of CGM (ceased to be a member of the Executive Committee on 27 February 2024)

The remuneration arrangements for all of the persons listed above are described on pages 105 to 152 of the Remuneration Report, contained in the Directors' Report.

1 Ms Lloyd-Hurwitz was appointed to the MGL Board effective 1 June 2023 and MBL Board effective 28 July 2023.
2 Ms Wakefield Evans ceased to be a member of the MGL Board on 29 February 2024 and the MBL Board on 27 July 2023.
3 Except where indicated otherwise, all of the Executives as well as the CEO were members of the Executive Committee as at 9 May 2025.

Note 31

Key management personnel disclosure continued

Key management personnel remuneration

The following table details the aggregate remuneration for KMP:

	SHORT-TERM EMPLOYEE BENEFITS				LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS		
	Salary and fees (including superannuation) $	Performance related remuneration[1] $	Other benefits $	Total short-term employee benefits $	Restricted profit share including Other long-term employee benefits[2] $	Equity awards[3] $	PSUs[4] $	Total remuneration[5] $
Executive Remuneration								
2025[6]	**12,043,116**	**43,731,250**	**-**	**55,774,366**	**18,441,895**	**49,821,058**	**12,557,791**	**136,595,110**
2024	12,002,855	34,975,000	-	46,977,855	3,581,099	10,814,659	5,818,148	67,191,761
Non-Executive Remuneration								
2025	**3,424,750**	**-**	**6,500**	**3,431,250**	**-**	**-**	**-**	**3,431,250**
2024	3,603,042	–	–	3,603,042	–	–	–	3,603,042

Equity holdings of KMP and their related parties

The following table sets out details of MGL ordinary shares held during the financial year by KMP, including their related parties, on a Consolidated Entity basis.

	Number of shares held by current KMP as at 1 Apr	Number of shares held by new KMP at appointment date (on or after 1 Apr)	Shares received on withdrawal from MEREP	Other changes[7]	Number of shares held by KMP at date of resignation/ retirement (prior to 31 Mar)	Number of shares held as at 31 Mar
2025	**1,284,794**	**55**	**290,670**	**(222,490)**	**-**	**1,353,029**
2024	1,155,751	–	359,979	(202,341)	(28,595)	1,284,794

1 The cash portion of each KMP's profit share allocation for the reporting period when they were a KMP.
2 The amount of retained profit share held via the DPS plan including earnings on notional investments from retained profit share in prior financial years. In 2024, this includes reversal of amounts previously accrued for retained DPS forfeited by Mr. O'Kane upon his resignation. Based on Mr Way's participation in Macquarie's carried interest arrangements, a carried interest expense for FY2025 attributable to Mr Way of $A4.94 million has been included in Mr Way's FY2025 statutory remuneration. This amount is included in "other long-term employee benefits".
3 The current year expense for equity awards calculated as described in Note 44(xxiii) *Performance based remuneration* and Note 32 *Employee equity participation*. In 2024, this includes reversal of amounts previously accrued for RSU awards (net of dividends paid during the vesting period) forfeited by Mr. O'Kane upon his resignation.
4 The current year expense for PSUs calculated as described in Note 44(xxiii) *Performance based remuneration* and Note 32 Employee equity participation. The current year expense is reduced for previously recognised remuneration expense where performance hurdles have not been met, have been partially met or are not expected to be met. In 2024, this includes reversal of amounts previously accrued for PSU awards forfeited by Mr. O'Kane upon his resignation.
5 For KMP residing in US, their remuneration is subject to US social security and Medicare taxes, payable by Macquarie. Tax amounts of $322 thousand and $357 thousand were paid during FY2024 and FY2025, respectively, and are not included in statutory remuneration.
6 For further detail on the impact of changes to KMP composition and forfeitures during the period refer to pages 105 and 152 of the Director's Remuneration Report.
7 Includes on-market acquisitions and disposals.

Note 31

Key management personnel disclosure continued

MEREP RSU Awards of KMP and their related parties

The following table sets out details of the MEREP RSU awards held during the financial year for the KMP including their related parties, on a Consolidated Entity basis. Further details of the particulars of the grants can be found in Appendix 4 of the Remuneration Report, contained in the Directors' Report from pages 146 to 151. Further details in relation to the MEREP RSU awards are disclosed in Note 32 *Employee equity participation*.

	Number of RSU awards held by current KMP as at 1 Apr	Number of RSU awards held by new KMP at appointment date (on or after 1 Apr)	RSU awards granted during the financial year[1]	Vested RSU awards transferred to the KMP's shareholding during the financial year	Number of RSU awards held by KMP at date of resignation/ retirement (prior to 31 Mar)[2]	Number of RSU awards held as at 31 Mar
2025	**1,262,768**	**167,110**	**200,150**	**(245,156)**	**–**	**1,384,872**
2024	1,688,978	–	493,558	(304,039)	(615,729)	1,262,768

MEREP DSU Awards of KMP and their related parties

The following table sets out details of the MEREP DSU awards held during the financial year for the KMP including their related parties, on a Consolidated Entity basis. Further details of the particulars of the grants can be found in Appendix 4 of the Remuneration Report, contained in the Directors' Report from pages 146 to 151. Further details in relation to the MEREP DSU awards are disclosed in Note 32 *Employee equity participation*.

	Number of DSU awards held by current KMP as at 1 Apr	Number of DSU awards held by new KMP at appointment date (on or after 1 Apr)	DSU awards granted during the financial year[3]	Vested DSU awards transferred to the KMP's shareholding during the financial year	Number of DSU awards held by KMP at date of resignation/ retirement(prior to 31 Mar)	Number of DSU awards held as at 31 Mar
2025	**–**	**–**	**37,319**	**–**	**–**	**37,319**
2024	–	–	–	–	–	–

MEREP PSU Awards of KMP and their related parties

The following table sets out details of MEREP PSU awards held during the financial year for the KMP including their related parties, on a Consolidated Entity basis. Further details of the particulars of the grants can be found in the Directors' Report on page 146 to 151. Further details in relation to the MEREP PSU awards are disclosed in Note 32 *Employee equity participation*.

	Number of PSU awards held by current KMP as at 1 Apr	Number of PSU awards held by new KMP at appointment date (on or after 1 Apr)	PSU awards granted during the financial year[4]	Vested PSU awards transferred to the KMP's shareholding during the financial year	PSU awards for which performance hurdles were not met	PSU awards cancelled on termination	Number of PSU awards held by KMP at date of resignation/ retirement (prior to 31 Mar)[5]	Number of PSU awards held as at 31 Mar
2025	**476,562**	**–**	**125,833**	**(45,514)**	**(65,495)**	**–**	**–**	**491,386**
2024	438,949	–	164,501	(55,940)	(2,331)	–	(68,617)	476,562

1 RSUs are granted in the financial year following the year of the Company's performance to which the grant relates. RSUs disclosed as granted above for 2025 relate to the Consolidated Entity's performance in 2024.
2 In 2024, this includes 615,729 RSU awards held by Mr O'Kane which were forfeited upon his resignation from Macquarie.
3 DSUs are granted in the financial year following the year of the Company's performance to which the grant relates. DSUs disclosed as granted above for 2025 relate to the Consolidated Entity's performance in 2024.
4 PSUs are granted in the financial year following the year of the Company's performance to which the grant relates. PSUs disclosed as granted above for 2025 relate to the Consolidated Entity's performance in 2024.
5 In 2024, this includes 68,617 PSU awards held by Mr O'Kane which were forfeited upon his resignation from Macquarie.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 31

Key management personnel disclosure continued

Details of share-based payment grant dates whose vesting periods affected compensation for the financial years ended 31 March 2025 and 31 March 2024.

		GRANT DATE	
Financial year grant relates to	Type of grant	Managing Director	All other KMP
2016	Retained DPS	15 August 2016	17 June 2016
2017	Retained DPS	15 August 2017	22 June 2017
2018	Retained DPS	15 August 2018	21 June 2018
2019	Retained DPS	15 August 2019	24 June 2019
	PSUs	15 August 2019	15 August 2019
2020	Retained DPS	4 August 2020	9 June 2020
	PSUs	4 August 2020	4 August 2020
2021	Retained DPS	3 August 2021	9 June 2021
	PSUs	3 August 2021	3 August 2021
2022	Retained DPS	2 August 2022	21 June 2022
	PSUs	2 August 2022	2 August 2022
2023	Retained DPS	1 August 2023	21 June 2023
	PSUs	1 August 2023	1 August 2023
2024	Retained DPS	1 August 2024	19 June 2024
	PSUs	1 August 2024	1 August 2024

Loans to KMP and their related parties

Details of loans provided by the Consolidated Entity to KMP and their related parties are disclosed in aggregate in the following tables.

Total for KMP and their related parties[1]	Opening balance as at 1 Apr $'000	Additions during the year $'000[2]	Interest charged $'000	Repayments during the year $'000[3]	Write-downs $'000	Closing balance as at 31 Mar $'000[4]
2025	**10,928**	**11,185**	**348**	**(8,081)**	**–**	**14,380**
2024	16,230	–	453	(5,755)	–	10,928

1 All loans provided by Macquarie to KMP are made in the ordinary course of business on an arm's length basis and are entered into under normal terms and conditions consistent with other customers and employees. There have been no write-downs during the financial years reported.
2 Or loan held as at date of appointment of new KMP.
3 Or loan held as at date ceased to be a KMP.
4 The aggregate balance included loans to 3 persons (31 March 2024: 2).

Note 32
Employee equity participation

MEREP

The Consolidated Entity continues to operate the MEREP in conjunction with other remuneration arrangements.

Award types under the MEREP

Restricted Share Units (RSUs)

A RSU is a beneficial interest in a MGL ordinary share held on behalf of a MEREP participant by the plan trustee (Trustee).

The participant is entitled to receive dividends on the share and direct the Trustee how to exercise voting rights of the share. The participant also has the right to request the release of the share from the MEREP Trust, subject to the vesting and forfeiture provisions of the MEREP.

	NUMBER OF RSU AWARDS	
	2025	2024
RSUs on issue at the beginning of the financial year	**13,028,273**	12,721,894
Granted during the financial year	**3,047,524**	4,635,847
Vested RSUs withdrawn or sold from the MEREP during the financial year	**(3,564,510)**	(3,440,514)
Forfeited during the financial year	**(220,101)**	(888,954)
RSUs on issue at the end of the financial year	**12,291,186**	13,028,273
RSUs vested and not withdrawn from the MEREP at the end of the financial year	**5,478**	53,291

The weighted average fair value of the RSU awards granted during the financial year was $198.14 (2024: $180.17).

Deferred Share Units (DSUs)

A DSU represents the right to receive on exercise of the DSU either a share held in the Trust or a newly issued share (as determined by the Company in its absolute discretion) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP. A MEREP participant holding a DSU has no right or interest in any share until the DSU is exercised. The Company may issue shares to the Trustee or direct the Trustee to acquire shares on-market, or via a share acquisition arrangement for potential future allocations to holders of DSUs.

Generally, where permitted by law, DSUs will provide for cash payments in lieu of dividends paid on MGL ordinary shares before the DSU is exercised. Further, the number of shares underlying a DSU will be adjusted upon any bonus issue or other capital reconstruction of the Company in accordance with the ASX Listing Rules, so that the holder of a DSU does not receive a benefit that holders of the Company's shares do not generally receive. These provisions are intended to provide the holders of DSUs, as far as possible, with the same benefits and risks as holders of RSUs. However, holders of DSUs will have no voting rights with respect to any underlying MGL ordinary shares.

DSUs will only be offered to MRTs, US awards to CPS 511 employees, or in jurisdictions where legal or tax rules make the grant of RSUs impractical, or where PSUs are structured as DSUs (see PSUs). DSUs have been granted with an expiry period of up to nine years.

	NUMBER OF DSU AWARDS	
	2025	2024
DSUs on issue at the beginning of the financial year	**4,335,026**	4,178,466
Granted during the financial year	**1,333,032**	1,391,808
Exercised during the financial year	**(1,415,580)**	(1,121,323)
Forfeited during the financial year	**(85,282)**	(113,925)
DSUs on issue at the end of the financial year	**4,167,196**	4,335,026
DSUs exercisable at the end of the financial year	**1,144,183**	1,290,695

The weighted average fair value of the DSU awards granted during the financial year was $187.69 (2024: $171.68).

Note 32

Employee equity participation continued

Award types under the MEREP continued

Performance Share Units (PSUs)

All PSUs currently on issue are structured as DSUs with performance hurdles that must be met before the underlying share or cash equivalent (as the case may be) will be delivered. PSU holders have no right to dividend equivalent payments before the PSUs vest.

	NUMBER OF PSU AWARDS	
	2025	2024
PSUs on issue at the beginning of the financial year	**583,386**	604,043
Granted during the financial year	**125,833**	164,501
Exercised during the financial year	**(68,244)**	(112,361)
Expired during the year	**(111,771)**	(4,180)
Forfeited during the financial year	**–**	(68,617)
PSUs on issue at the end of the financial year	**529,204**	583,386
PSUs exercisable at the end of the financial year	**7,231**	–

The weighted average fair value of the PSU awards granted during the financial year was $180.33 (2024: $151.70).

Restricted Shares

A Restricted Share is an MGL ordinary share transferred from the MEREP Trust and held by a MEREP participant subject to restrictions on disposal, vesting and forfeiture rules. The participant is entitled to receive dividends on, and to exercise the voting rights of, the Restricted Shares. Restricted Shares are only offered in jurisdictions where legal or tax rules make RSU/DSU awards impractical.

	NUMBER OF RESTRICTED SHARE AWARDS	
	2025	2024
Restricted shares on issue at the beginning of the financial year	**240,608**	251,208
Transfer from MEREP Trust during the financial year	**275,519**	193,642
Released during the financial year	**(397,051)**	(204,242)
Restricted shares on issue at the end of the financial year	**119,076**	240,608

The weighted average fair value of the Restricted Shares granted during the financial year was $nil (2024: $nil).

Participation in the MEREP is currently provided to the following Eligible Employees:

- Executive Directors with retained Directors' Profit Share (DPS), a proportion of which is allocated in the form of MEREP awards (Retained DPS Awards)
- staff other than Executive Directors with retained profit share above a threshold amount (Retained Profit Share Awards) and staff who were promoted to Associate Director, Division Director or Executive Director, who received a fixed Australian dollar value allocation of MEREP awards (Promotion Awards)
- Macquarie staff with retained commission (Commission Awards)
- new Macquarie staff who commence at Associate Director, Division Director or Executive Director level and are awarded a fixed Australian dollar value (New Hire Awards)
- members of the MGL and MBL Executive Committees who are eligible for PSUs (PSU awards)
- in limited circumstances, Macquarie staff may receive an equity grant instead of a remuneration or consideration payment in cash. Current examples include individuals who become employees of the Consolidated Entity upon the acquisition of their employer by a Macquarie entity or who receive an additional award at the time of joining Macquarie (also referred to above as New Hire Awards).

Note 32

Employee equity participation continued

Award types under the MEREP continued

Vesting periods are as follows:

Award type	Level	Vesting
Retained Profit Share Awards and Promotion Awards	Below Executive Director	1/3rd in the 2nd, 3rd and 4th year following the year of grant[1]
Retained DPS Awards granted in relation to years 2016 to 2023	Executive Committee members and Designated Executive Directors	1/5th in the 3rd, 4th, 5th, 6th and 7th year following the year of grant[2]
Retained DPS Awards granted in relation to years 2016 to 2023	All other Executive Directors	1/3rd in the 3rd, 4th and 5th year following the year of grant[2]
Retained DPS Awards granted in relation to 2024 and following years	Executive Committee members and other Executive Directors	1/3rd in the 3rd, 4th and 5th year following the year of grant[2]
PSU Awards granted in relation to 2019	Executive Committee members (including CEO and MBL CEO)	50% in the 3rd and 4th years following the year of grant[3]
PSU Awards granted in relation to 2020 and following years	Executive Committee members (excluding CEO and MBL CEO)	100% in the 4th year following the year of grant[3]
PSU Awards granted in relation to years 2020 to 2023	CEO and MBL CEO	100% in the 4th year following the year of grant[3]
PSU Awards granted in relation to 2024 and following years	CEO and MBL CEO	100% in the 5th year following the year of grant[3]
Commission Awards	Below Executive Director	1/3rd in the 2nd, 3rd and 4th year following the year of grant[1]
New Hire Awards	All Director-level staff	1/3rd in the 2nd, 3rd and 4th year following the year of grant[4]

In limited cases, the invitation or application form for awards may set out a different vesting period, in which case that period will be the vesting period for the award. For example, staff in certain jurisdictions may have a different vesting period due to local regulatory requirements.

For Retained Profit Share awards representing FY2024 retention, the allocation price was the weighted average price of the shares acquired for the 2024 purchase period, which was 13 May 2024 to 19 June 2024. That price was calculated to be $191.54 (2023 retention: $179.17).

1 Vesting will occur during an eligible staff trading window. If an employee has been on leave without pay (excluding leave to which the Employee may be eligible under local laws) for twelve months or more, the Vesting Period may be extended accordingly.
2 Vesting will occur during an eligible staff trading window. If an Executive Director has been on leave without pay (excluding leave to which the Executive Director may be eligible under local laws) for 12 months or more, the vesting period may be extended accordingly.
3 Subject to achieving certain performance hurdles.
4 Vesting will occur during an eligible staff trading window.

Note 32

Employee equity participation continued

Performance Share Units (PSUs)

PSUs will only be released or become exercisable subject to pre-vest assessment[1] and upon the achievement of performance hurdles. Only members of the MGL and MBL Executive Committees are eligible to receive PSUs. For the PSUs allocated to Executive Committee Members, two performance hurdles have been determined and each will apply individually to 50% of the total number of PSUs awarded. Hurdles are periodically reviewed by the Board Remuneration Committee (BRC) to ensure they continue to align the interests of staff and shareholders and provide a challenging but meaningful incentive to Executive Committee members. The BRC considers historical and forecast market data, the views of corporate governance groups, shareholders and regulators as well as market practice. No change has been made to the hurdles for this financial year.

The hurdles are outlined below.

Performance hurdle 1

Hurdle	Reference group
50% of the PSUs based solely on the relative average annual return on ordinary equity (ROE) over the vesting period compared to a reference group of global financial institutions. A sliding scale applies with 50% becoming exercisable above the 50th percentile and 100% vesting at the 75th percentile.	The current reference group comprises Bank of America Corporation, Barclays PLC, Citigroup Inc., Deutsche Bank AG, Goldman Sachs Group Inc., JPMorgan Chase & Co., Lazard Limited, Morgan Stanley and UBS AG.[2]

Performance hurdle 2

Hurdle	Required result
50% of the PSUs based solely on the compound annual growth rate (CAGR) in earnings per share (EPS) over the vesting period.	A sliding scale applies with 50% becoming exercisable at EPS CAGR of 7.5% and 100% at EPS CAGR of 12%. For example, if EPS CAGR were 9.75%, 75% of the relevant awards would become exercisable.

Under both performance hurdles, the condition is examined once only. Testing occurs annually on 30 June immediately before vesting on 1 July, based on the most recent financial year-end results available. To the extent that a condition is not met when examined, the PSUs due to vest will not be exercisable upon vesting, resulting in no benefit to Executive Committee members.

Pre-vest assessment (At end of vesting period)[1]

Prior to vesting of PSU awards, the Board will conduct a holistic assessment of the Executive Committee's collective contribution to driving the performance of Macquarie over the vesting period, based on the extent to which the Executive Committee has:

1. promoted behaviour that is consistent with and reflects Macquarie's risk culture and *Code of Conduct* and the principles of *What We Stand For*
2. overseen the effectiveness of Macquarie's risk management framework, policies and practices in managing key financial and non-financial risks
3. overseen funding, liquidity and capital management to ensure Macquarie's financial soundness.

Where the Board forms a negative overall assessment of the relevant Executive Committee's collective contribution, it may consider whether an adjustment is appropriate, taking into account any mitigating and aggravating factors.

To assist the Board with their determination of an adjustment to the PSU vesting outcome, and to ensure that the determination encompasses all relevant considerations, the BRC will receive reporting over the vesting period.

[1] Pre-vest assessment applicable for awards to be granted in relation to FY2024 and following years.
[2] For unvested PSU awards made prior to FY2023, the reference group included Bank of America Corporation, Barclays PLC, Credit Suisse, Deutsche Bank AG, Goldman Sachs Inc., JP Morgan Chase & Co., Lazard Ltd, Morgan Stanley and UBS AG.

Note 32

Employee equity participation continued

Assumptions used to determine fair value of MEREP awards

RSUs and DSUs are measured at their grant dates based on their fair value[1] and for each PSU, the awards expected to vest are measured on the basis of the assumptions below. This amount is recognised as an expense over the respective vesting periods.

RSUs, DSUs and PSUs relating to the MEREP plan for Executive Committee members have been granted in the current financial year in respect of the FY2024 performance. The accounting fair value of each of these grants is estimated using the Company's share price on the date of grant and for each PSU also incorporates a discounted cash flow method using the following key assumptions:

- interest rate to maturity: 3.87% per annum (3.89% for grants to the CEO and the MBL CEO)
- expected vesting dates of PSUs: 1 July 2028 (1 July 2029 for the CEO and the MBL CEO)
- dividend yield: 3.69% per annum.

While RSUs, DSUs and PSUs (for Executive Committee members) for FY2025 will be granted during FY2026, the Company begins recognising an expense for these awards (based on an initial estimate) from 1 April 2024 related to these future grants. The expense is estimated using the estimated MEREP retention for FY2025 and applying the vesting profile to the retained amount.

For PSU, the estimate also incorporates an interest rate to maturity of 3.91% per annum (3.98% for grants to the CEO and the MBL CEO), expected vesting date of 1 July 2029 (1 July 2030 for the CEO and the MBL CEO), and a dividend yield of 3.62% per annum. In the following financial year, the Consolidated Entity will adjust the accumulated expense recognised for the final determination of fair value for each RSU, DSU and PSU when granted and will use this valuation for recognising the expense over the remaining vesting period. The Consolidated Entity annually reviews its estimates of the number of awards (including those delivered through MEREP) that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the employment expenses in the income statement, with a corresponding adjustment to equity (for equity settled awards), or a corresponding adjustment to liabilities (for cash settled awards).

For the financial year ended 31 March 2025, compensation expense relating to the MEREP totalled $838,776 thousand (2024: $831,043 thousand).

For the equity settled awards, the estimated future withholding tax outflow is $608,075 thousand (2024: $642,312 thousand).

Employee Share Plan

The Consolidated Entity continues to operate the Macquarie Group Employee Share Plan (ESP) whereby each financial year eligible employees are offered up to $1,000 worth of fully paid MGL ordinary shares for no cash consideration.

Shares allocated under the ESP cannot be sold until the earlier of three years after allocation or the time when the participant is no longer employed by the Consolidated Entity. In all other respects, shares allocated rank equally with all other fully paid ordinary shares then on issue.

The latest offer under the ESP was made during November 2024. A total of 2,723 (2024: 2,391) staff participated in this offer.

On 6 December 2024, the participants were each allocated 4 (2024: 6) fully paid ordinary shares based on the offer amount of $1,000 and the average market share price of $233.37 (2024: $166.34), resulting in a total of 10,892 (2024: 14,346) shares being allocated. The shares were allocated to staff for no cash consideration. The aggregate value of the shares allocated was deducted from staff profit share and commissions.

For the financial year ended 31 March 2025, compensation expense relating to the ESP totalled $2,522 thousand (2024: $2,388 thousand).

Other plans

The Consolidated Entity operates other local share-based compensation plans, none of which, individually or in aggregate are material.

Shares purchased on-market/issued for the purpose of an employee incentive scheme

During the financial year ended 31 March 2025, the Consolidated Entity purchased 539,516 (2024: 3,180,994) shares on-market and 2,942,836 (2024: 2,556,543) shares via off-market transfer from its employees during the Staff Trading window for MEREP. A further 10,892 (2024: 14,346) shares were purchased on-market for the ESP. The average price of all shares purchased during the financial year was $191.67 (2024: $179.14) and the average price of the purchases made on-market was $194.60 (2024: $182.84).

[1] For employees categorised as Material Risk Takers who are required to comply with the European Banking Authority Guidelines on the CRD IV and CRD V remuneration requirements, the fair value of the awards granted for performance periods after 1 April 2019 has been adjusted to take into account the prohibition of dividends on unvested awards.

Note 33

Contingent liabilities and commitments

	CONSOLIDATED		COMPANY	
	2025	2024	**2025**	2024
	$m	$m	**$m**	$m
Undrawn credit commitments				
Undrawn credit facilities and debt commitment[1,2]	**30,605**	30,880	**–**	–
Letter of credit and guarantees[3]	**3,214**	2,453	**7,925**	7,327
Total undrawn credit commitments	**33,819**	33,333	**7,925**	7,327
Other contingencies and commitments				
Equity investment commitments	**2,155**	2,090	**–**	–
Asset development and purchase commitments	**147**	706	**–**	249
Performance related contingencies[3]	**602**	260	**–**	–
Total other contingencies and commitments	**2,904**	3,056	**–**	249
Total contingent liabilities and commitments	**36,723**	36,389	**7,925**	7,576

Note 34

Structured entities

A Structured Entity (SE) is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. SEs are generally established with restrictions on their ongoing activities in order to achieve narrow and well-defined objectives. SEs are classified as subsidiaries and are consolidated when control exists.

The Consolidated Entity engages with SEs for securitisation, asset-backed financing and structured financing arrangements in order to diversify its sources of funding for asset origination and capital efficiency purposes. The Consolidated Entity also engages with SEs when providing investment management and other fiduciary activities. The Consolidated Entity's involvement with SEs is primarily of the following nature.

Type	Details
Securitisations	Securitisations involve transferring assets into a vehicle that sells beneficial interests to investors through the issue of debt and equity notes with varying levels of subordination. The notes are collateralised by the assets transferred to these vehicles and pay a return based on the returns of those assets, with residual returns paid to the most subordinated investor. These vehicles are created for securitising assets, including mortgages, and finance leases. The Consolidated Entity also establishes SEs on behalf of customers to securitise their loans or receivables and may manage these securitisation vehicles or provide liquidity or other support. The Consolidated Entity may serve as a sponsor, servicer, underwriter, liquidity provider, derivative counterparty, purchaser of notes and/or purchaser of residual income units. The Consolidated Entity may also provide redraw facilities or loan commitments to securitisation vehicles.
Asset-backed financing	Asset-backed vehicles are used to provide tailored lending for the purchase or lease of assets transferred by the Consolidated Entity or its clients. The assets are normally pledged as collateral to the lenders. The Consolidated Entity engages in raising finance for assets such as vessels, electronic and IT equipment.
Structured financing and other arrangements	Includes: • financing for prepaid commodity delivery contracts. The Consolidated Entity has contractually guaranteed the performance obligation under these arrangements • financing through loans and reverse repurchase agreements for short-term term funding requirements of SEs which are sponsored by third parties.
Funds management and administration activities	The Group conducts investment management and other fiduciary activities as responsible entity, trustee, custodian, advisor or manager of investment funds or trusts, including superannuation and approved deposit funds, wholesale and retail trusts. Certain funds meet the definition of a structured entity. The Consolidated Entity's interests in these funds includes holding units in funds, receiving fees for services, providing lending facilities and derivative.

1 Undrawn credit facilities include fully or partially undrawn commitments against which clients can borrow money under defined terms and conditions. Balance includes revocable undrawn commitments for certain retail banking products of $16,874 million (2024: $14,839 million) which are considered to be exposed to credit risk.
2 Includes $652 million (2024: $1,101 million) in undrawn facilities wherein loan positions have been sub-participated to a third party and will be transferred after drawdown.
3 It is not practicable to ascertain the timing of any outflow and the possibility of any reimbursement related to these contingent liabilities. Certain contingent liabilities are collateralised and any cash collateral (any related liability to return the collateral) is recognised in the Statement of financial position.

Note 34

Structured entities continued

The following table presents the carrying value and undrawn commitments & financial guarantees (maximum exposure to loss before the benefit of collateral and credit enhancements) of the Consolidated Entity's interests in unconsolidated SEs.

	CONSOLIDATED 2025				CONSOLIDATED 2024			
	Securitisations	Asset-backed financing	Structured Financing and other arrangements	Total	Securitisations	Asset-backed financing	Structured Financing and other arrangements	Total
	$m	$m	$m	$m	$m	$m	$m	$m
Maximum exposure to loss								
Carrying value of assets:								
Loan assets	1,247	2,493	5,450	9,190	1,319	1,895	5,011	8,225
Financial investments	3,939	–	–	3,939	3,582	–	–	3,582
Trading, derivative and other assets	28	–	–	28	384	–	–	384
Reverse repurchase agreements	–	–	4,406	4,406	–	–	3,212	3,212
Total carrying value of assets[1]	5,214	2,493	9,856	17,563	5,285	1,895	8,223	15,403
Undrawn commitments[2]	53	54	349	456	70	21	275	366
Total maximum exposure to loss	5,267	2,547	10,205	18,019	5,355	1,916	8,498	15,769

The Consolidated Entity's exposure to securitisation entities in the nature of financial investments, margin money, derivatives, trading assets and reverse repurchase agreements are acquired for the purpose of trading and liquidity management. These exposures are typically managed under credit and market risk limits described in Note 36.1 *Credit risk* and Note 36.3 *Market risk*. For these reasons, information on the size and structure for these SEs is not considered meaningful for understanding the related risks, and have not been presented.

In respect of the Consolidated Entity's loan assets exposure in securitisation, asset-backed financing entities and structured financing, the total size of the unconsolidated SEs is $86,976 million (2024: $74,580 million). Size is based on the latest available information representing either the total assets of the SE (measured either at amortised cost excluding impairments or fair values if readily available), outstanding notional of issued notes or the principal amount of liabilities if there is nominal equity.

For the above exposures, the Consolidated Entity does not sponsor or control these SEs, nor is it a significant user of the services of these SEs.

Additionally, as part of its funds management and administration activities the Consolidated Entity has interests in certain funds including investments, receivables, contract assets and undrawn commitments which represent the Consolidated Entity's maximum exposure to loss. In certain cases the Consolidated Entity invests alongside its own managed funds to demonstrate further alignment with investors. The carrying value of the Consolidated Entity's investments in funds is disclosed in Note 14 *Interests in associates and joint ventures*. Interests in the nature of receivables, contract assets and undrawn commitments are disclosed in Note 30 *Related party information* and Note 11 *Held for sale and other assets*. The Assets Under Management (AUM) of $941.0 billion (2024: $938.3 billion) represent the indicative size of these funds and is measured as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises on. Private Markets AUM includes equity yet to deploy.

[1] Includes non-investment grade interests of $427 million (2024: $829 million) in securitisation activities, $2,413 million (2024: $1,269 million) in asset-backed financing activities and $1,110 million (2024: $886 million) in structured financing and other arrangements.

[2] Excludes $3,026 million (2024: $3,039 million) of guarantees provided by the Company in respect of a subsidiary to fulfil its obligations for certain prepaid commodity contracts towards unconsolidated structured entities. On consolidation, these guarantees are accounted as Issued debt securities and borrowings that represent the subsidiary obligations in terms of these commodity contracts.

Note 35

Hedge accounting

Hedging strategy

The use of derivative and non-derivative instruments to economically hedge non-traded positions potentially gives rise to income statement volatility as a result of mismatches in the accounting treatment between the derivative and non-derivative instruments and the related exposure. The Consolidated Entity's objective is to reduce the risk of volatility in earnings, within pre-defined thresholds. This volatility is managed through designation of hedge accounting relationships and the use of naturally offsetting positions in the income statement.

Hedging instruments

Detail on hedging instruments, the nature of hedged risks, as well as the notional and the carrying amount of derivative financial instruments and, in the case of hedges of net investment in foreign operations, the notional of foreign currency denominated borrowings and other balance sheet items, for each type of hedge relationship, is shown in the respective sections. The maturity profile for the hedging instruments' notional amounts are reported based on their contractual maturity. Where a cross currency swap has been dual designated in both a cash flow and a fair value hedge, the notional is shown more than once. Increases in notional profiles of hedging instruments are presented as negative figures, with decreases and maturities presented as positive figures.

Hedging ineffectiveness

In the case of a fair value hedge, hedge ineffectiveness is the extent to which the changes in the fair value of the hedging instrument differ to that of the hedged item for the hedged risk. In the case of a cash flow hedge, hedge ineffectiveness is the extent to which the change in the fair value of the hedging instrument exceeds, in absolute terms, that of the hedged item. In the case of hedges of net investment in foreign operations, hedge ineffectiveness is the extent to which the change in the carrying amount of foreign currency denominated borrowings and other balance sheet items attributable to the change in exchange rates exceeds, in absolute terms, that of the hedged item. Sources of hedge ineffectiveness primarily arise from basis and timing differences between the hedged items and hedging instruments, and designating existing derivatives with a non-zero fair value as hedging instruments. Hedge ineffectiveness is reported in net trading income in the income statement.

Note 35

Hedge accounting continued

Cash flow hedges

The cash flow hedge reserve, representing the effective portion of the movements in the hedging instrument, is disclosed in Note 28(i) *Reserves*. Changes in this reserve are reported in the Consolidated Entity's statements of comprehensive income. The cumulative gains and losses remaining in the cash flow hedge reserve for hedging relationships that have ceased, but for which the hedged cash flows are still expected to occur is $nil (2024: $1 million gain) for the Consolidated Entity and $nil (2024: $nil) for the Company. This amount will be transferred to the income statement when the hedged item affects profit and loss.

Hedging instruments

		MATURITY ANALYSIS PER NOTIONAL				
Instrument type	Risk category	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	Over 5 years $m	Total $m
						CONSOLIDATED 2025
Derivative assets						
Cross currency swaps	Foreign exchange	**32**	**94**	**3,023**	**462**	**3,611**
Interest rate swaps and options	Interest rate	**336**	**1,132**	**8,545**	**887**	**10,900**
Foreign exchange forwards and swaps	Foreign exchange	**1**	**–**	**–**	**–**	**1**
Derivative liabilities						
Cross currency swaps	Foreign exchange	**–**	**–**	**1,324**	**712**	**2,036**
Interest rate swaps and options	Interest rate	**232**	**1,907**	**6,256**	**122**	**8,517**
Commodity derivatives	Commodity price	**–**	**–**	**–**	**530**	**530**
Foreign exchange forwards and swaps	Foreign exchange	**1**	**1**	**–**	**–**	**2**
Borrowings						
Foreign currency denominated borrowings	Foreign exchange	**70**	**125**	**–**	**–**	**195**
						CONSOLIDATED 2024
Derivative assets						
Cross currency swaps	Foreign exchange	31	91	1,371	1,245	2,738
Interest rate swaps and options	Interest rate	10	140	3,702	824	4,676
Derivative liabilities						
Cross currency swaps	Foreign exchange	–	141	749	1,187	2,077
Interest rate swaps and options	Interest rate	533	1,279	7,834	67	9,713
Commodity derivatives	Commodity price	–	–	–	163	163
Borrowings						
Foreign currency denominated borrowings	Foreign exchange	11	–	187	–	198

		CONSOLIDATED CARRYING AMOUNT			
		2025		2024	
Instrument type	Risk category	**Asset $m**	**Liability $m**	Asset $m	Liability $m
Cross currency swaps	Foreign exchange	**471**	**64**	384	189
Interest rate swaps and options	Interest rate	**249**	**113**	191	166
Commodity derivatives	Commodity price	**–**	**19**	–	7
Foreign currency denominated borrowings	Foreign exchange	**–**	**42**	–	120

Note 35
Hedge accounting continued

Instrument type	Risk category	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	Over 5 years $m	Total $m
		MATURITY ANALYSIS PER NOTIONAL				
						COMPANY 2025
Derivative liabilities						
Interest rate swaps and options	Interest rate	**56**	**168**	**317**	**–**	**541**
						COMPANY 2024
Derivative liabilities						
Interest rate swaps and options	Interest rate	54	161	519	–	734

Instrument type	Risk category	2025 Asset $m	2025 Liability $m	2024 Asset $m	2024 Liability $m
		COMPANY CARRYING AMOUNT			
Interest rate swaps and options[1]	Interest rate	**–**	**6**	–	19

Hedge ineffectiveness

In the case of cash flow hedge relationships, hedge ineffectiveness is the extent to which the change in the fair value of the hedging instrument exceeds, in absolute terms, that of the hedged item.

Hedging instruments	Risk category	GAIN/(LOSS) ON HEDGING INSTRUMENT 2025 $m	GAIN/(LOSS) ON HEDGING INSTRUMENT 2024 $m	GAIN/(LOSS) ON HEDGED ITEM 2025 $m	GAIN/(LOSS) ON HEDGED ITEM 2024 $m	HEDGE INEFFECTIVENESS GAIN/(LOSS) 2025 $m	HEDGE INEFFECTIVENESS GAIN/(LOSS) 2024 $m
							CONSOLIDATED
Cross currency swaps	Foreign exchange	**(3)**	(53)	**3**	54	**–**	1
Foreign currency denominated borrowings	Foreign exchange	**1**	2	**(1)**	(2)	**–**	–
Interest rate swaps and options	Interest rate	**146**	24	**(138)**	(31)	**8**	(7)
Commodity derivatives	Commodity price	**(12)**	–	**12**	–	**–**	–
Total		**132**	(27)	**(124)**	21	**8**	(6)
							COMPANY
Interest rate swaps and options	Interest rate	**13**	–	**(13)**	–	**–**	–
Total		**13**	–	**(13)**	–	**–**	–

[1] The carrying amount of hedging instrument derivative liabilities is disclosed in the Company's Statement of financial position as 'Due to other Macquarie Group entities'.

Note 35

Hedge accounting continued

Hedge accounting executed rates

The following table shows the executed rates for the most significant hedging instruments designated in cash flow hedges, which represent the contractual rates when the hedging instruments were traded.

		CONSOLIDATED		COMPANY	
Hedging instruments	Currency pair/currency	2025	2024	2025	2024
Cross currency swaps	AUD/EUR	**0.61-0.68**	0.68	**–**	–
	USD/GBP	**0.66**	0.66	**–**	–
	AUD/CHF	**0.66**	0.66	**–**	–
	AUD/NOK	**6.31**	5.88-6.31	**–**	–
	AUD/JPY	**92.93-94.21**	92.93-94.21	**–**	–
Interest rate swaps and options	GBP	**0.97%-4.65%**	0.97%-4.65%	**–**	–
	USD	**0.46%-4.60%**	0.46%-4.60%	**2.87%**	2.90%
	AUD	**0.56%-5.96%**	0.56%-5.96%	**–**	–

Note 35

Hedge accounting continued

Net investment in foreign operation hedges

The Consolidated Entity's net investment in foreign operations (NIFO) changes as a result of earnings, dividends, other capital-related events and changes in the Consolidated Entity's group structure as a result of internal restructures. The risk of changes in the NIFO for movements in foreign exchange rates may be hedged by the Consolidated Entity using a combination of derivatives, foreign currency denominated Issued debt securities and other balance sheet items. Refer to Note 36.3 *Market risk:* Non-traded market risk for further information on the Consolidated Entity's risk management strategy.

In order to reflect the Consolidated Entity's risk management strategy, hedge accounting is applied where changes in the derivatives and foreign denominated Issued debt securities and other balance sheet items are recognised, together with the related foreign currency translation reserve, in the Consolidated Entity's other comprehensive income and is subsequently reclassified to the income statement or re-attributed within equity as defined in Note 44(iii) *Foreign currency translation*: Subsidiaries and other equities. Hedge ineffectiveness, if any, is recognised in the income statement. Given that the Consolidated Entity's NIFO frequently changes, the hedge designations are reviewed on a monthly basis or more frequently where required.

		CONSOLIDATED CARRYING AMOUNT			
		ASSET		LIABILITY	
		2025	2024	2025	2024
Hedging instrument	Risk category	$m	$m	$m	$m
Foreign exchange contracts and other foreign currency denominated balance sheet items[1]	Foreign exchange	**781**	386	**59**	98
Issued debt securities and other borrowings	Foreign exchange	**–**	–	**25,406**	24,105

		CONSOLIDATED NOTIONAL AMOUNT			
		ASSET		LIABILITY	
		2025	2024	2025	2024
Hedging instrument	Risk category	$m	$m	$m	$m
Foreign exchange contracts and other foreign currency denominated balance sheet items	Foreign exchange	**5,469**	4,949	**2,568**	2,541
Issued debt securities and other borrowings	Foreign exchange	**–**	–	**25,773**	23,958

In order to hedge the currency exposure of certain net investments in foreign operations, the Consolidated Entity jointly designates hedging instruments from the currency of the underlying foreign operation to USD and then the hedging instruments from USD to AUD. As a result, the notional value of hedging instruments presented in the table above of $33,810 million (2024: $31,448 million) represents the notional of Foreign currency denominated Issued debt securities, Foreign exchange contracts and other foreign currency denominated balance sheet items. The notional of the underlying hedged component of the Consolidated Entity's net investment in foreign operations is $26,903 million (2024: $24,486 million).

Hedge ineffectiveness is the extent to which the absolute change in either the fair value of the derivative or the carrying amount of foreign currency denominated borrowings attributable to the change in exchange rates exceeds that of the hedged item. There was no ineffectiveness recognised in the income statement by the Consolidated Entity in the current year (2024: $nil).

[1] Where the fair value of the derivative is positive/(negative), the notional of the derivative has been similarly included in the table as an asset/(liability). Foreign exchange contracts and other foreign currency denominated balance sheet items are primarily presented on the face of the Statement of financial position as Derivative Assets, Derivative Liabilities and Cash and bank balances.

Note 35

Hedge accounting continued

Fair value hedges

The fair value attributable to the hedged risk is recognised as a fair value adjustment to the hedged item on the balance sheet. In an effective fair value hedge relationship, movements in this fair value adjustment are largely offset by movements in the fair value of the hedging instrument. Any residual movement is recognised as ineffectiveness in net trading income in the income statement. Executed rates for fair value hedges have not been shown as these would represent the market reference rates at the time of designation.

Hedging instruments

		MATURITY ANALYSIS PER NOTIONAL				
Instrument type	Risk category	Less than 3 months $m	3 to 12 months $m	1 to 5 years $m	Over 5 years $m	Total $m
						CONSOLIDATED 2025
Derivative assets						
Interest rate swaps and options	Interest rate	**3,244**	**4,628**	**9,340**	**2,351**	**19,563**
Basis swaps	Interest rate	**–**	**1,038**	**1,211**	**–**	**2,249**
Commodity derivatives	Commodity price	**–**	**–**	**–**	**–**	**–**
Foreign exchange forwards	Foreign exchange	**20**	**164**	**192**	**–**	**376**
Derivative liabilities						
Cross currency swaps	Interest rate	**–**	**–**	**2,162**	**179**	**2,341**
Interest rate swaps and options	Interest rate	**734**	**10,147**	**18,301**	**15,074**	**44,256**
Commodity derivatives	Commodity price	**73**	**435**	**581**	**–**	**1,089**
Foreign exchange forwards	Foreign exchange	**53**	**271**	**388**	**–**	**712**
						CONSOLIDATED 2024
Derivative assets						
Interest rate swaps and options	Interest rate	–	2,933	5,744	3,531	12,208
Basis swaps	Interest rate	–	–	993	–	993
Commodity derivatives	Commodity price	–	174	446	–	620
Foreign exchange forwards	Foreign exchange	21	41	361	–	423
Derivative liabilities						
Cross currency swaps	Interest rate	–	141	1,236	175	1,552
Interest rate swaps and options	Interest rate	564	8,466	20,843	16,083	45,956
Commodity derivatives	Commodity price	21	131	598	–	750
Foreign exchange forwards	Foreign exchange	–	273	675	–	948

		CONSOLIDATED CARRYING AMOUNT			
		2025		2024	
Instrument type	Risk category	Asset $m	Liability $m	Asset $m	Liability $m
Cross currency swaps	Interest rate	**–**	**27**	–	52
Interest rate swaps and options	Interest rate	**342**	**2,177**	231	3,202
Basis swaps	Interest rate	**6**	**–**	6	–
Commodity derivatives	Commodity price	**–**	**111**	11	38
Foreign exchange forwards and swaps	Foreign exchange	**19**	**24**	13	44

Note 35

Hedge accounting continued

Hedged item

As the hedged item is adjusted only for the hedged risk, the hedged item's carrying value disclosed in the following table will not be equivalent to its fair value as disclosed in other notes to these financial statements. The accumulated amount of the fair value hedge adjustments remaining in the Statements of financial positions for hedged items that have ceased to be adjusted for hedging gains and losses is $15 million loss (2024: $10 million gain) for the Consolidated Entity and have been included in the fair value hedge adjustment in the table below. These amounts will be amortised to the income statement on an effective interest rate basis.

	CONSOLIDATED 2025			CONSOLIDATED 2024		
	Gross amount	Fair value hedge adjustment	Carrying amount[1]	Gross amount	Fair value hedge adjustment	Carrying amount[1]
	$m	$m	$m		$m	$m
Assets						
Financial investments[2]	**2,179**	**–**	**2,179**	1,232	–	1,232
Loan assets	**3,146**	**9**	**3,155**	1,214	(16)	1,198
Property, plant and equipment	**794**	**23**	**817**	961	(67)	894
Liabilities						
Issued debt securities	**53,353**	**(1,728)**	**51,625**	49,201	(2,728)	46,473
Loan capital	**8,250**	**(472)**	**7,778**	7,619	(642)	6,977
Bank borrowings	**798**	**1**	**799**	767	–	767

Hedge ineffectiveness

In the case of a fair value hedge, hedge ineffectiveness is the extent to which the changes in the fair value of the hedging instrument differ to that of the hedged item attributable to the hedged risk.

		GAIN/(LOSS) ON HEDGING INSTRUMENT		GAIN/(LOSS) ON HEDGED ITEM		HEDGE INEFFECTIVENESS GAIN/(LOSS)	
		2025	2024	2025	2024	2025	2024
Hedging instruments	Risk category	$m	$m	$m	$m	$m	$m
						CONSOLIDATED	
Cross currency swaps	Interest rate	**18**	10	**(18)**	(10)	**–**	–
Interest rate swaps and options	Interest rate	**1,075**	(18)	**(1,081)**	4	**(6)**	(14)
Basis swaps	Interest rate	**1**	–	**(1)**	–	**–**	–
Commodity derivatives	Commodity price	**(128)**	48	**128**	(48)	**–**	–
Foreign exchange forwards	Foreign exchange	**38**	22	**(38)**	(22)	**–**	–
Total		**1,004**	62	**(1,010)**	(76)	**(6)**	(14)

1 The carrying amounts in the table above exclude accrued interest and include fair value hedge adjustments.
2 The carrying amount includes debt instruments classified at fair value through other comprehensive income. Where this applies, the fair value hedge adjustment for interest rate risk is recognised in the income statement together with changes in the fair value of the hedging instrument.

Note 36

Financial risk management

Risk Management and Risk Management Group (RMG)

Risk is an integral part of the Consolidated Entity's businesses. The material risks faced by the Consolidated Entity include aggregate, asset, conduct, credit, environmental and social, equity, financial crime, legal, liquidity, market, operational (including cyber and information security), regulatory and compliance, reputational, strategic, tax, and work health and safety risks.

The primary responsibility for risk management lies with the business. An important part of the role of all staff throughout Macquarie is to ensure they manage risks appropriately.

RMG is independent of other areas of the Consolidated Entity. RMG approval is required for all material risk acceptance decisions. RMG reviews and assesses risks and sets limits. Where appropriate, these limits are approved by the Executive Committee and the Board. The Head of RMG, as Macquarie's CRO, is a member of the Executive Committee of MGL and MBL and reports directly to the CEO with a secondary reporting line to the Board Risk Committee. Further details on the Risk Management Framework in the Consolidated Entity can be found in the Risk Management Report of this Annual Report.

Note 36.1 Credit risk

Credit risk is the risk that a counterparty will fail to complete its contractual obligations when they fall due. The consequential loss is the amount of the financial obligation not paid back, or the loss incurred in replicating a trading contract with a new counterparty.

Credit risk assessment and approval

Exercise of credit authority within Macquarie is undertaken under authority delegated by the MGL and MBL Boards directly.

Credit risk assessment includes a comprehensive review of the creditworthiness of the counterparty and related entities, key risk and mitigants, and that the downside risk is properly understood and acceptable.

After this analysis is undertaken, limits are set for an acceptable level of potential exposure. All wholesale limits and ratings are reviewed at least once a year or more frequently if required.

Retail credit exposures are monitored by the business units and overseen by RMG Credit on a portfolio basis.

All credit exposures are monitored regularly against limits. For limit monitoring, credit exposures for loan assets are reported at amortised cost. Derivative exposures are measured using high confidence potential future underlying asset prices.

To mitigate credit risk, where appropriate, the Consolidated Entity makes use of margining and other forms of collateral or credit enhancement techniques (including guarantees, letters of credit and the purchase of credit default swaps).

Ratings and reviews

Refer to Note 13 *Expected credit losses* for details regarding the manner in which the Consolidated Entity has adopted and applied AASB 9's expected credit loss impairment requirements.

For the purpose of presenting the credit risk associated with assets on the Consolidated Entity's Statements of financial position in accordance with the requirements of AASB 9, the following methodology has been adopted.

Wholesale rating

Macquarie wholesale ratings broadly correspond to Standard & Poor's credit ratings as follows.

Credit Profile	Internal Rating	Standard & Poor's Equivalent
Investment grade	MQ1 to MQ8	AAA to BBB-
Non-investment grade	MQ9 to MQ16	BB+ to C
Default	MQ99	Default

Retail rating

Retail pools are mapped to the credit quality grades based on their PDs.

Mapping retail portfolios to the credit grades has been done for comparability of the overall portfolio presentation and does not reflect the way that the retail portfolio is segmented for management purposes. Management reviews a range of information, including past due status for the portfolio, to assess the credit quality of these assets.

Due from subsidiaries

Balances with subsidiaries are mapped to the rating grades assigned internally to these counterparties for the pricing of internal funding arrangements on an arm's length basis.

Portfolio and country risk

A review of the credit portfolio analysing credit concentrations by counterparty, geography, risk type, industry and credit quality is carried out quarterly and reported to the Board semi-annually. Policies are in place to regulate large exposures to single counterparties or groups of counterparties.

The Consolidated Entity has a country risk management framework which covers the assessment of country risk and the approval of country risk limits. Where appropriate the country risk may be mitigated or transferred by parent company guarantees, bank letters of credit, or credit insurance.

Note 36

Financial risk management continued

Note 36.1 Credit risk continued

Credit quality of financial assets

The table below discloses, by credit rating grades and ECL impairment stage, the gross carrying amount[1] of assets measured at amortised cost or FVOCI, contract assets and undrawn credit commitments of the Consolidated Entity subject to the impairment requirements of AASB 9 *Financial Instruments*. The credit quality is based on the counterparty's credit rating using the Consolidated Entity's credit rating system and excludes the benefit of collateral and credit enhancements.

	Stage I[2] $m	Stage II[2] $m	Stage III[2] $m	Total $m
				CONSOLIDATED 2025
Investment grade				
Cash and bank balances	26,040	–	–	26,040
Cash collateralised lending and reverse repurchase agreements	49,436	–	–	49,436
Margin money and settlement assets	22,226	–	–	22,226
Financial investments	18,023	–	–	18,023
Held for sale and other assets	5,311	–	–	5,311
Loan assets	88,463	5,129	–	93,592
Undrawn credit commitments	13,293	217	–	13,510
Total investment grade	222,792	5,346	–	228,138
Non-investment grade				
Cash and bank balances	346	–	–	346
Cash collateralised lending and reverse repurchase agreements	8,590	–	–	8,590
Margin money and settlement assets	3,953	60	–	4,013
Financial investments	33	159	–	192
Held for sale and other assets	2,654	364	–	3,018
Loan assets	88,492	19,427	–	107,919
Loans to associates and joint ventures	563	–	–	563
Undrawn credit commitments	17,735	703	–	18,438
Total non-investment grade	122,366	20,713	–	143,079
Default				
Margin money and settlement assets	–	–	66	66
Held for sale and other assets	–	–	58	58
Loan assets	–	–	2,299	2,299
Undrawn credit commitments	–	–	95	95
Total default	–	–	2,518	2,518
Total gross credit risk by ECL stage	345,158	26,059	2,518	373,735

Loan assets under investment grade ($93,592 million) and non-investment grade ($107,919 million) includes $2,478 million past due up to 30 days and $639 million past due between 31 and 89 days.

[1] The gross exposure of financial assets measured at amortised cost represents the carrying value before ECL allowance and for financial assets measured at FVOCI represents carrying value before fair value adjustments and ECL allowance. Accordingly, these exposures will not be equal to the amount presented in the Statement of financial position.

[2] For definitions of Stage I, II and III, refer to Note 13 *Expected credit losses*. Whilst exposures may have migrated to Stage II, it should not be inferred that exposures classified as Stage II are of lower credit quality than those classified as Stage I.

Note 36

Financial risk management continued

Note 36.1 Credit risk continued

Credit quality of financial assets

The table below discloses, by credit rating grades and ECL impairment stage, the gross carrying amount[1] of assets measured at amortised cost or FVOCI, contract assets and undrawn credit commitments of the Consolidated Entity subject to the impairment requirements of AASB 9 *Financial Instruments*. The credit quality is based on the counterparty's credit rating using the Consolidated Entity's credit rating system and excludes the benefit of collateral and credit enhancements.

	Stage I[2] $m	Stage II[2] $m	Stage III[2] $m	Total $m
				CONSOLIDATED 2024
Investment grade				
Cash and bank balances	31,343	–	–	31,343
Cash collateralised lending and reverse repurchase agreements	38,884	–	–	38,884
Margin money and settlement assets	18,858	–	–	18,858
Financial investments	21,387	–	–	21,387
Held for sale and other assets	3,323	–	–	3,323
Loan assets	66,710	1,913	–	68,623
Undrawn credit commitments	14,081	198	–	14,279
Total investment grade	194,586	2,111	–	196,697
Non-investment grade				
Cash and bank balances	513	–	–	513
Cash collateralised lending and reverse repurchase agreements	7,687	–	–	7,687
Margin money and settlement assets	4,989	–	–	4,989
Financial investments	41	–	–	41
Held for sale and other assets	2,082	169	–	2,251
Loan assets	85,287	18,906	–	104,193
Loans to associates and joint ventures	449	64	–	513
Undrawn credit commitments	16,420	475	–	16,895
Total non-investment grade	117,468	19,614	–	137,082
Default				
Cash collateralised lending and reverse repurchase agreements	–	–	72	72
Margin money and settlement assets	–	–	38	38
Held for sale and other assets	–	–	95	95
Loan assets	–	–	2,762	2,762
Undrawn credit commitments	–	–	134	134
Total default	–	–	3,101	3,101
Total gross credit risk by ECL stage	312,054	21,725	3,101	336,880

Loan assets under investment grade ($68,623 million) and non-investment grade ($104,196 million) includes $1,816 million past due up to 30 days and $449 million past due between 31 and 89 days.

1 The gross exposure of financial assets measured at amortised cost represents the carrying value before ECL allowance and for financial assets measured at FVOCI represents carrying value before fair value adjustments and ECL allowance. Accordingly, these exposures will not be equal to the amount presented in the Statement of financial position.

2 For definitions of Stage I, II and III, refer to Note 13 *Expected credit losses*. Whilst exposures may have migrated to Stage II, it should not be inferred that exposures classified as Stage II are of lower credit quality than those classified as Stage I.

Note 36

Financial risk management continued

Note 36.1 Credit risk continued

The following table below discloses, by credit rating grades, the gross carrying amount[1] of assets measured at amortised cost, FVOCI and undrawn credit commitments of the Company subject to the impairment requirements of AASB 9 *Financial Instruments*. The credit quality is based on the rating grades assigned internally to these counterparties for the pricing of internal funding arrangements on an arm's length basis.

	COMPANY 2025		COMPANY 2024	
	Stage I $m	Total $m	Stage I $m	Total $m
Investment grade				
Financial investments	**1,102**	**1,102**	1,763	1,763
Due from subsidiaries	**46,198**	**46,198**	45,928	45,928
Undrawn credit commitments	**7,925**	**7,925**	7,327	7,327
Total investment grade	**55,225**	**55,225**	55,018	55,018
Total gross credit risk by ECL stage	**55,225**	**55,225**	55,018	55,018

[1] The gross exposure of financial assets measured at amortised cost represents the carrying value before ECL allowance and for financial assets measured at FVOCI represents carrying value before fair value adjustments and ECL allowance. Accordingly, these exposures will not be equal to the amount presented in the Statement of financial position.

Note 36

Financial risk management continued

Note 36.1 Credit risk continued

Credit risk concentration

The table below details the concentration of credit risk by significant geographical location and counterparty type of the Consolidated Entity's financial assets, contract assets and undrawn credit commitments. The geographical location is determined by the country of risk to which the Consolidated Entity is most exposed when assessing the counterparty to meet its obligations as they fall due, however, where the exposures are subject to multiple countries of risk, geographical allocation has been determined based on counterparty's country of domicile. The counterparty type is based on the Standard Economic Sector Classifications of Australia (SESCA) used by the Australian Bureau of Statistics. Government represents Australian and foreign governments, including government departments and agencies. Financial institutions represent central banks and central borrowing authorities, Australian and foreign banks, registered financial corporations, insurance corporations, funds, financial intermediaries, and auxiliaries. Retail and others represent public and private trading enterprises and retail banking customers.

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments $m	Financial institutions $m	Retail and other $m	Total $m	Governments $m	Financial institutions $m	Retail and other $m	Total $m
								CONSOLIDATED 2025
Australia and New Zealand								
Cash and bank balances	–	15,094	–	15,094	–	–	–	–
Cash collateralised lending and reverse repurchase agreements	–	7,765	620	8,385	–	422	–	422
Trading assets	–	–	–	–	946	308	10	1,264
Margin money and settlement assets	5	2,165	131	2,301	–	–	–	–
Derivative assets	–	–	–	–	10	1,279	1,813	3,102
Financial investments	1,469	14,599	128	16,196	–	2	20	22
Held for sale and other assets	5	395	899	1,299	–	99	294	393
Loan assets[1]	30	2,211	162,845	165,086	–	24	93	117
Loans to associates and joint ventures	–	–	–	–	–	–	2	2
Undrawn credit commitments	37	818	22,195	23,050	–	–	–	–
Total Australia and New Zealand	1,546	43,047	186,818	231,411	956	2,134	2,232	5,322
Asia								
Cash and bank balances	–	1,972	–	1,972	–	–	–	–
Cash collateralised lending and reverse repurchase agreements	–	5,770	17	5,787	–	1,238	722	1,960
Trading assets	–	–	–	–	–	–	155	155
Margin money and settlement assets	16	3,591	280	3,887	–	–	–	–
Derivative assets	–	–	–	–	56	1,455	637	2,148
Financial investments	–	471	–	471	–	105	32	137
Held for sale and other assets	1	421	592	1,014	–	–	364	364
Loan assets	–	179	1,131	1,310	–	–	–	–
Undrawn credit commitments	–	4	95	99	–	–	–	–
Total Asia	17	12,408	2,115	14,540	56	2,798	1,910	4,764

[1] Loan assets in the Australia and New Zealand includes home loans of $141,670 million, Corporate, commercial and other lending of $20,455 million and asset financing of $3,078 million.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 36

Financial risk management continued

Note 36.1 Credit risk continued

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments $m	Financial institutions $m	Retail and other $m	Total $m	Governments $m	Financial institutions $m	Retail and other $m	Total $m
								CONSOLIDATED 2025
Europe, Middle East and Africa								
Cash and bank balances	–	4,440	–	4,440	–	–	–	–
Cash collateralised lending and reverse repurchase agreements	1,449	17,820	142	19,411	–	1,944	–	1,944
Trading assets	–	–	–	–	61	37	2,104	2,202
Margin money and settlement assets	37	8,070	3,928	12,035	–	–	–	–
Derivative assets	–	–	–	–	–	5,901	3,521	9,422
Financial investments	256	463	8	727	–	10	–	10
Held for sale and other assets	91	375	3,756	4,222	–	16	1,210	1,226
Loan assets	–	1,258	16,030	17,288	–	63	1,324	1,387
Loans to associates and joint ventures	–	499	64	563	–	4	366	370
Undrawn credit commitments	17	332	2,259	2,608	–	1	290	291
Total Europe, Middle East and Africa	1,850	33,257	26,187	61,294	61	7,976	8,815	16,852
Americas								
Cash and bank balances	–	4,880	–	4,880	–	–	–	–
Cash collateralised lending and reverse repurchase agreements	–	24,275	168	24,443	298	3,931	–	4,229
Trading assets	–	–	–	–	3,371	15	682	4,068
Margin money and settlement assets	222	6,000	1,860	8,082	–	–	353	353
Derivative assets	–	–	–	–	153	7,241	2,203	9,597
Financial investments	–	716	105	821	–	383	963	1,346
Held for sale and other assets	1	1,106	745	1,852	–	30	2,142	2,172
Loan assets	12	6,503	13,611	20,126	–	298	378	676
Loans to associates and joint ventures	–	–	–	–	–	–	69	69
Undrawn credit commitments	40	1,160	5,086	6,286	–	–	1,485	1,485
Total Americas	275	44,640	21,575	66,490	3,822	11,898	8,275	23,995
Total gross credit risk[1]	3,688	133,352	236,695	373,735	4,895	24,806	21,232	50,933

[1] The gross exposure of financial assets measured at amortised cost represent the carrying value before ECL allowance and for financial assets measured at FVOCI represent carrying value before fair value adjustments and ECL allowance. Accordingly, these exposures will not be equal to the amount presented in the Statement of financial position.

Note 36

Financial risk management continued

Note 36.1 Credit risk continued

Credit risk concentration

The table below details the concentration of credit risk by significant geographical location and counterparty type of the Consolidated Entity's financial assets, contract assets and undrawn credit commitments. The geographical location is determined by the country of risk to which the Consolidated Entity is most exposed when assessing the counterparty to meet its obligations as they fall due, however, where the exposures are subject to multiple countries of risk, geographical allocation has been determined based on counterparty's country of domicile. The counterparty type is based on the Standard Economic Sector Classifications of Australia (SESCA) used by the Australian Bureau of Statistics. Government represents Australian and foreign governments, including government departments and agencies. Financial institutions represent central banks and central borrowing authorities, Australian and foreign banks, registered financial corporations, insurance corporations, funds, financial intermediaries, and auxiliaries. Retail and others represent public and private trading enterprises and retail banking customers.

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments	Financial institutions	Retail and other	Total	Governments	Financial institutions	Retail and other	Total
	$m	$m	$m	$m	$m	$m	$m	$m
								CONSOLIDATED 2024
Australia and New Zealand								
Cash and bank balances	–	19,129	–	19,129	–	–	–	–
Cash collateralised lending and reverse repurchase agreements	–	10,819	–	10,819	–	1,234	–	1,234
Trading assets	–	–	–	–	–	159	–	159
Margin money and settlement assets	72	2,668	8	2,748	–	–	–	–
Derivative assets	–	–	–	–	–	1,126	1,422	2,548
Financial investments	305	16,883	106	17,294	–	–	4	4
Held for sale and other assets	14	304	789	1,107	–	54	35	89
Loan assets[1]	33	3,277	144,513	147,823	–	33	93	126
Loans to associates and joint ventures	–	–	1	1	–	–	9	9
Undrawn credit commitments	37	934	20,449	21,420	–	–	3	3
Total Australia and New Zealand	461	54,014	165,866	220,341	–	2,606	1,566	4,172
Asia								
Cash and bank balances	–	2,602	1	2,603	–	–	–	–
Cash collateralised lending and reverse repurchase agreements	–	5,044	–	5,044	–	2,233	–	2,233
Trading assets	–	–	–	–	–	307	150	457
Margin money and settlement assets	160	3,156	–	3,316	–	–	–	–
Derivative assets	–	–	–	–	35	1,010	529	1,574
Financial investments	–	564	–	564	–	88	5	93
Held for sale and other assets	2	55	86	143	–	–	912	912
Loan assets	–	–	585	585	–	–	–	–
Loans to associates and joint ventures	–	–	–	–	–	–	195	195
Undrawn credit commitments	–	96	265	361	–	–	138	138
Total Asia	162	11,517	937	12,616	35	3,638	1,929	5,602

[1] Loan assets in the Australia and New Zealand includes home loans of $119,734 million, Corporate, commercial and other lending of $21,416 million and asset financing of $6,674 million.

Note 36

Financial risk management continued

Note 36.1 Credit risk continued

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments $m	Financial institutions $m	Retail and other $m	Total $m	Governments $m	Financial institutions $m	Retail and other $m	Total $m
								CONSOLIDATED 2024
Europe, Middle East and Africa								
Cash and bank balances	–	6,091	–	6,091	–	–	–	–
Cash collateralised lending and reverse repurchase agreements	–	19,053	–	19,053	–	2,945	–	2,945
Trading assets	–	–	–	–	–	44	1,765	1,809
Margin money and settlement assets	5	11,729	12	11,746	–	–	–	–
Derivative assets	–	–	–	–	–	4,589	6,608	11,198
Financial investments	10	583	–	593	–	355	–	355
Held for sale and other assets	86	751	1,917	2,754	–	–	1,489	1,489
Loan assets	–	2,085	8,695	10,780	–	46	734	780
Loans to associates and joint ventures	–	447	65	512	–	69	338	407
Undrawn credit commitments	–	504	2,432	2,936	–	2	206	208
Total Europe, Middle East and Africa	101	41,243	13,121	54,465	–	8,050	11,140	19,191
Americas								
Cash and bank balances	–	4,033	–	4,033	–	–	–	–
Cash collateralised lending and reverse repurchase agreements	–	11,727	–	11,727	–	5,361	–	5,361
Trading assets	–	–	–	–	2,168	39	1,495	3,702
Margin money and settlement assets	311	5,749	15	6,075	–	–	275	275
Derivative assets	–	–	–	–	114	6,331	2,302	8,747
Financial investments	305	2,672	–	2,977	–	71	262	333
Held for sale and other assets	3	956	706	1,665	24	–	1,444	1,468
Loan assets	133	4,778	11,479	16,390	–	157	248	405
Loans to associates and joint ventures	–	–	–	–	–	–	50	50
Undrawn credit commitments	31	745	5,815	6,591	–	–	1,676	1,676
Total Americas	783	30,660	18,015	49,458	2,306	11,959	7,752	22,017
Total gross credit risk[1]	1,507	137,434	197,939	336,880	2,341	26,253	22,387	50,982

[1] The gross exposure of financial assets measured at amortised cost represent the carrying value before ECL allowance and for financial assets measured at FVOCI represent carrying value before fair value adjustments and ECL allowance. Accordingly, these exposures will not be equal to the amount presented in the Statement of financial position.

Note 36

Financial risk management continued

Note 36.1 Credit risk continued

Credit risk concentration

The table below details the concentration of credit risk by significant geographical location and counterparty type of the Company's financial assets and undrawn credit commitments. The geographical location is determined by the country of risk to which the Company is most exposed when assessing the counterparty to meet its obligations as they fall due, however, where the exposures are subject to multiple countries of risk, geographical allocation has been determined based on counterparty's country of domicile. The counterparty type is based on the Standard Economic Sector Classifications of Australia (SESCA) used by the Australian Bureau of Statistics. Government represents Australian and foreign governments, including government departments and agencies. Financial institutions represent central banks and central borrowing authorities, Australian and foreign banks, registered financial corporations, insurance corporations, funds, financial intermediaries, and auxiliaries. Retail and others represent public and private trading enterprises and retail banking customers.

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9		
	Financial institutions $m	Retail and other $m	Total $m	Financial institutions $m	Retail and other $m	Total $m
						COMPANY 2025
Australia and New Zealand						
Financial investments	**933**	**–**	**933**	**–**	**–**	**–**
Due from subsidiaries	**42,339**	**3,853**	**46,192**	**2,497**	**1,506**	**4,003**
Off-balance sheet exposures	**154**	**105**	**259**	**–**	**–**	**–**
Total Australia and New Zealand	**43,426**	**3,958**	**47,384**	**2,497**	**1,506**	**4,003**
Asia						
Financial investments	**90**	**–**	**90**	**–**	**–**	**–**
Off-balance sheet exposures	**–**	**374**	**374**	**–**	**–**	**–**
Total Asia	**90**	**374**	**464**	**–**	**–**	**–**
Europe, Middle East and Africa						
Off-balance sheet exposures	**887**	**398**	**1,285**	**–**	**–**	**–**
Total Europe, Middle East and Africa	**887**	**398**	**1,285**	**–**	**–**	**–**
Americas						
Due from subsidiaries	**6**	**–**	**6**	**–**	**–**	**–**
Off-balance sheet exposures	**5,542**	**465**	**6,007**	**–**	**–**	**–**
Total Americas	**5,548**	**465**	**6,013**	**–**	**–**	**–**
Total gross credit risk	**49,951**	**5,195**	**55,146**	**2,497**	**1,506**	**4,003**
						COMPANY 2024
Australia and New Zealand						
Financial investments	1,335	40	1,375	–	–	–
Due from subsidiaries	42,215	3,706	45,921	2,720	754	3,474
Off-balance sheet exposures	281	102	383	–	–	–
Total Australia and New Zealand	43,831	3,848	47,679	2,720	754	3,474
Asia						
Financial investments	141	–	141	–	–	–
Due from subsidiaries	1	–	1	–	–	–
Off-balance sheet exposures	152	206	358	–	–	–
Total Asia	294	206	500	–	–	–
Europe, Middle East and Africa						
Off-balance sheet exposures	832	–	832	–	–	–
Total Europe, Middle East and Africa	832	–	832	–	–	–
Americas						
Due from subsidiaries	6	–	6	–	–	–
Off-balance sheet exposures	5,284	470	5,754	–	–	–
Total Americas	5,290	470	5,760	–	–	–
Total gross credit risk	50,247	4,524	54,771	2,720	754	3,474

Note 36

Financial risk management continued

Note 36.1 Credit risk continued

Maximum exposure to credit risk

For on-balance sheet instruments, the maximum exposure to credit risk is the carrying amount reported on the balance sheet (refer to Note 37 *Measurement categories of financial instruments*). For off-balance sheet instruments, the maximum exposure to credit risk is a function of the contractual notional amount, except for certain usage-based guarantees in which case the maximum exposure is determined with respect to the fair value of the underlying exposure and is disclosed in Note 13 *Expected credit losses*.

Collateral and credit enhancements held

Cash collateralised lending and reverse repurchase agreements

The Consolidated Entity enters into securities and commodities borrowing and reverse repurchase transactions with counterparties which require lodgement of collateral. These arrangements include:

- securities and commodities borrowed in return for cash, for which the fair value of the securities and commodities borrowed is equal to or less than the cash deposited with the counterparty;
- reverse repurchase agreements (collateralised financing arrangements), for which the fair value of the securities and commodities received as collateral is generally in excess of the principal amount;
- securities received as collateral in return for the transfer of other securities; and
- securities borrowed on an unsecured basis in return for a fee.

The non-cash collateral received is not recognised by the Consolidated Entity in the Statements of financial position, as the risks and rewards of ownership remain with the counterparty. The Consolidated Entity is permitted to sell or repledge the securities and commodities received. In the absence of default by the counterparty, the Consolidated Entity has an obligation to return the non-cash collateral received to the counterparty.

For securities and commodities borrowed in return for cash and reverse repurchase arrangements, the fair value of non-cash collateral received is $68,263 million (2024: $60,082 million). For securities borrowed in return for other securities, the fair value of the securities received is $17,347 million (2024: $19,012 million). For securities borrowed on an unsecured basis, the fair value of the securities received is $7,063 million (2024: $7,530 million).

Refer to Note 40 *Pledged assets and transfer of financial assets* for securities and commodity which have been repledged.

The fair value attributed to non-cash collateral held is judgmental and measured with reference to quoted prices in active markets where available (for example, listed securities). If quoted prices in active markets are not available, the fair value are estimated using pricing models or other recognised valuation techniques that maximise the use of quoted prices and observable market inputs. The fair value of these securities and commodities were determined when last assessed and are determined periodically.

Note 36

Financial risk management continued

Note 36.1 Credit risk continued

Loan assets

Home loans

Macquarie purchases risk protection for its home loans portfolio consistent with the risk appetite. Macquarie has diversified its risk protection coverage to a global panel of reinsurers with diverse lines of business coverage and ratings ranging from AA+ to A– from external rating agencies. The length of risk protection cover is up to 10 years from the year of origination with the type of cover including excess of loss and quota share.

The following table provides information on the loan to collateral value ratio as determined using loan carrying values and the most recent valuation of the home loan collateral.

	2025			2024		
	Australia	**EMEA**	**Total**	Australia	EMEA	Total
	$m	**$m**	**$m**	$m	$m	$m
						CONSOLIDATED
<= 25%	**4,930**	**4**	**4,934**	4,171	5	4,176
>25% to 50%	**29,484**	**26**	**29,510**	25,719	30	25,749
>50% to 70%	**55,978**	**69**	**56,047**	48,572	96	48,668
>70% to 80%	**48,218**	**71**	**48,289**	38,834	73	38,907
>80% to 90%	**4,147**	**45**	**4,192**	2,950	24	2,974
>90% to 100%	**319**	**19**	**338**	280	7	287
Partly collateralised	**32**	**10**	**42**	20	3	23
Total home loans	**143,108**	**244**	**143,352**	120,546	238	120,784

Corporate, commercial and other lending

Collateral held against corporate, commercial and other lending consists of secured positions over assets of the counterparty, often in the form of corporate assets. Of the term lending of $55,332 million (2024: $47,645 million), the credit exposure after considering the estimated value of collateral and credit enhancements is $8,650 million (2024: $7,123 million).

Asset financing

The Consolidated Entity leases assets and provides asset-related financing to corporate and retail clients. Titles to the underlying assets are held by the Consolidated Entity as collateral. Of the asset finance portfolio of $6,964 million (2024: $7,942 million), the credit exposure after considering the depreciated value of collateral is $1,684 million (2024: $2,820 million).

Derivative instruments

Derivatives may be traded on an exchange (exchange traded) or they may be privately negotiated contracts, which are referred to as Over-the-Counter (OTC) derivatives. The Consolidated Entity's and the Company's OTC derivatives are cleared and settled either through central clearing counterparties (OTC-cleared), or bilateral contracts between two counterparties.

The Consolidated Entity's approach to financial risk management includes entering into margining and collateralisation arrangements and enforceable master netting arrangements (MNA) with counterparties. The MNAs allow for net settlement with counterparties in the event of default or other pre-determined events, such that their potential effects on the Consolidated Entity's financial position in that circumstance is to settle these contracts as one arrangement.

The Consolidated Entity receives both cash and non-cash collateral in relation to margining arrangements. Refer to Note 39 *Offsetting financial assets and financial liabilities* for impact of master netting arrangements, cash margins and other financial collateral held against the positions as at balance date.

Refer Note 40 *Pledged assets and transfers of financial assets* for non-cash collateral received and repledged as part of derivative margining arrangements.

Note 36

Financial risk management continued

Note 36.1 Credit risk continued

Financial investments

Debt securities held by the Consolidated Entity carrying a credit risk are primarily in the nature of bonds, NCDs, floating rate notes (FRN), commercial paper and other debt securities for liquidity management purposes and other securities for short-term gains.

Settlement assets

Security and commodity settlements of $6,661 million (2024: $6,875 million) and $3,213 million (2024: $4,094 million) respectively presented in Note 8 *Margin money and settlement assets*, represent amounts owed by the exchange (or a client) for equities, commodities and other securities sold. These assets are secured with the underlying securities, commodities or cash held by the Consolidated Entity until the date of settlement. The period between trade and settlement date varies as per regional regulatory and business norms.

Other financial assets

Commodity related receivables under other financial assets are typically either collateralised with the underlying commodity held by the Consolidated Entity until the date of settlement or short-term receivables with standard credit terms which would be backed by a bank guarantee where required to remain within credit limits.

Credit commitments

Undrawn facilities and lending securities commitments of $33,819 million (2024: $33,333 million) are secured through collateral and credit enhancement. The remaining credit exposure after considering the estimated value of collateral is $7,897 million (2024: $9,931 million).

Additional collateral

Apart from collateral details disclosed above, the Consolidated Entity also holds other types of collateral, such as unsupported guarantees. While such mitigants have value as a credit risk mitigant often providing rights in insolvency, their assignable values are uncertain and therefore are assigned no value for disclosure purposes.

For all collateral, in the event of default realised collateral values may be lower than the value of collateral as at the reporting date.

Repossessed collateral

In the event of a customer default, the Consolidated Entity may either take possession of the underlying collateral held as security and/or exercise its right to dispose of the customer's asset. At the reporting date, the Consolidated Entity did not have any material amounts of such collateral recognised in its Statements of financial position.

Note 36.2 Liquidity risk

Governance and oversight

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 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 CEO, MBL CEO, CFO, CRO, COO, 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*. 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 and is funded mainly with deposits, long-term liabilities and capital.

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 plans detail:

- 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.

Note 36

Financial risk management continued

Note 36.2 Liquidity risk continued

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 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.

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.

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 and other 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.

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.

Note 36

Financial risk management continued

Note 36.2 Liquidity risk continued

Contractual undiscounted cash flows

The following tables summarise the maturity profile of the Consolidated Entity's financial liabilities as at 31 March based on a contractual undiscounted repayment basis and hence would vary from the carrying value as reported on the Statements of financial position at the balance date. Repayments subject to notice are treated as if notice were given immediately. This does not reflect the behaviour of the expected cash flows as indicated by the Consolidated Entity's deposit retention history since the Consolidated Entity expects that many customers will not request repayment on the earliest date the Consolidated Entity could be required to pay.

	Statement of financial position $m	0 to 3 months $m	3 to 12 months $m	1 to 5 years $m	Over 5 years $m	Total $m
						CONSOLIDATED 2025
Deposits[1]	177,671	169,603	7,862	484	–	177,949
Cash collateralised borrowing and repurchase agreements	4,933	1,793	3,235	–	–	5,028
Trading liabilities[2]	5,851	5,869	–	–	–	5,869
Margin money and settlement liabilities	28,845	28,851	–	–	–	28,851
Derivative liabilities (trading)[2]	20,779	20,779	–	–	–	20,779
Derivative liabilities (Hedge Accounting Relationships)[3]	2,589					
Contractual amounts payable		515	1,635	4,651	1,023	7,824
Contractual amounts receivable		(209)	(960)	(2,891)	(725)	(4,785)
Held for sale and other liabilities	8,849	3,982	2,967	1,073	1,079	9,101
Issued debt securities and other borrowings[4]	135,172	16,818	43,938	59,812	30,514	151,082
Loan capital[5]	16,401	2,156	1,332	10,516	6,500	20,504
Total liabilities[6]	**401,090**	**250,157**	**60,009**	**73,645**	**38,391**	**422,202**
Total contingent liabilities and commitments[7]		**36,447**	**134**	**134**	**8**	**36,723**
Total contractual undiscounted cash flows		**286,604**	**60,143**	**73,779**	**38,399**	**458,925**

1 Includes deposits that are contractually at call. These deposits provide a stable source of long-term funding.
2 Derivative liabilities (trading) and trading liabilities are included in the '0 to 3 months' at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, as they are frequently traded.
3 Where multiple derivatives are combined in order to form a single hedge instrument designated in a hedge accounting relationship, each derivative is considered independently for the purposes of assessing liquidity risk and for the disclosure's requirements.
4 Includes $10,749 million payables to SE note holders which is disclosed on the basis of expected maturity of the notes which are dependent on the repayment maturity of the underlying loans that the SE holds.
5 Includes securities with conditional repayment obligations. The cash outflow on the principal component on these securities is disclosed using the earliest optional exchange dates and the cash outflow of the interest component is disclosed using coupon dates instead of the contractual maturity. For contractual maturity of these securities refer to Note 26 *Loan capital*, further these instruments may be converted into ordinary shares on the occurrence of an other exchange event, and this may impact their maturity profile.
6 The Consolidated Entity and the Company have not had any defaults of principal, interest or other breaches with respect to its funding sources during the financial years reported.
7 Includes undrawn credit commitments and performance related contingencies in 0 to 3 months maturity band to reflect their earliest possible maturity. Comparative information has been restated to conform to presentation in the current year. Cash flows on contingent liabilities and commitments are dependent on the occurrence of various future events and conditions and may or may not result in an outflow of resources.

Note 36

Financial risk management continued

Note 36.2 Liquidity risk continued

	Statement of financial position $m	0 to 3 months $m	3 to 12 months $m	1 to 5 years $m	Over 5 years $m	Total $m
						CONSOLIDATED 2024
Deposits[1]	148,416	138,855	9,370	555	12	148,792
Cash collateralised borrowing and repurchase agreements[2]	12,599	12,655	13	5	–	12,673
Trading liabilities[3]	5,044	5,053	–	–	–	5,053
Margin money and settlement liabilities	28,423	28,461	–	–	–	28,461
Derivative liabilities (trading)[2]	21,808	21,811	–	–	–	21,811
Derivative liabilities (Hedge Accounting Relationships)[4]	3,777					
Contractual amounts payable		946	2,761	4,067	1,799	9,573
Contractual amounts receivable		(459)	(1,625)	(1,774)	(1,229)	(5,087)
Held for sale and other liabilities	6,994	3,180	2,415	1,207	497	7,299
Issued debt securities and other borrowings[5]	119,878	11,507	36,148	59,910	27,137	134,702
Loan capital[6]	14,201	190	1,681	10,902	5,568	18,341
Total liabilities	361,140	222,199	50,763	74,872	33,784	381,618
Total contingent liabilities and commitments[7]		35,970	325	94	–	36,389
Total contractual undiscounted cash flows		258,169	51,088	74,966	33,784	418,007

1 Includes deposits that are contractually at call. These deposits provide a stable source of long-term funding.
2 Included $9,556 million of RBA Term Funding Facility which was repaid in June 2024.
3 Derivative liabilities (trading) and trading liabilities are included in the '0 to 3 months' at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, as they are frequently traded.
4 Where multiple derivatives are combined in order to form a single hedge instrument designated in a hedge accounting relationship, each derivative is considered independently for the purposes of assessing liquidity risk and for the disclosure's requirements.
5 Includes $11,621 million payables to SE note holders which is disclosed on the basis of expected maturity of the notes which are dependent on the repayment maturity of the underlying loans that the SE holds.
6 Includes securities with conditional repayment obligations. The cash outflow on the principal component on these securities is disclosed using the earliest optional exchange dates and the cash outflow of the interest component is disclosed using coupon dates instead of the contractual maturity. For contractual maturity of these securities refer to Note 26 *Loan capital*, further these instruments may be converted into ordinary shares on the occurrence of an other exchange event, and this may impact their maturity profile.
7 Includes undrawn credit commitments and performance related contingencies in 0 to 3 months maturity band to reflect their earliest possible maturity. Comparative information has been restated to conform to presentation in the current year. Cash flows on contingent liabilities and commitments are dependent on the occurrence of various future events and conditions and may or may not result in an outflow of resources.

Note 36

Financial risk management continued

Note 36.2 Liquidity risk continued

	Statement of financial position $m	0 to 3 months $m	3 to 12 months $m	1 to 5 years $m	Over 5 years $m	Total $m
						COMPANY 2025
Derivative liabilities (trading)[1]	**10**	**10**	**–**	**–**	**–**	**10**
Other liabilities	**20**	**21**	**–**	**–**	**–**	**21**
Due to subsidiaries	**5,917**	**2,386**	**247**	**914**	**2,370**	**5,917**
Issued debt securities and other borrowings	**43,306**	**524**	**1,191**	**29,597**	**20,234**	**51,546**
Loan capital[2]	**3,857**	**63**	**189**	**2,997**	**1,678**	**4,927**
Total liabilities	**53,110**	**3,004**	**1,627**	**33,508**	**24,282**	**62,421**
Total contingent liabilities and commitments[3]		**7,925**	**–**	**–**	**–**	**7,925**
Total contractual undiscounted cash flows		**10,929**	**1,627**	**33,508**	**24,282**	**70,346**
						COMPANY 2024
Derivative liabilities (trading)[1]	5	5	–	–	–	5
Other liabilities	36	36	–	–	–	36
Due to subsidiaries	6,112	5,056	131	588	337	6,112
Issued debt securities and other borrowings	43,135	451	2,587	28,891	19,335	51,264
Loan capital[2]	3,371	60	1,160	2,055	776	4,051
Total liabilities	52,659	5,608	3,878	31,534	20,448	61,468
Total contingent liabilities and commitments[3]		7,576	–	–	–	7,576
Total contractual undiscounted cash flows		13,184	3,878	31,534	20,448	69,044

1 Derivative liabilities (trading) and trading liabilities are included in the '0 to 3 months' at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, as they are frequently traded.
2 Includes securities with conditional repayment obligations. The cash outflow on the principal component on these securities is disclosed using the earliest optional exchange dates and the cash outflow of the interest component is disclosed using coupon dates instead of the contractual maturity. For contractual maturity of these securities refer to Note 26 *Loan capital*, further these instruments may be converted into ordinary shares on the occurrence of an other exchange event, and this may impact their maturity profile.
3 Cash flows on contingent liabilities and commitments are dependent on the occurrence of various future events and conditions and may or may not result in an outflow of resources.

Note 36

Financial risk management continued

Note 36.3 Market risk

Macquarie's balance sheet includes a '**trading book**', which is defined in accordance with APRA's traded market risk prudential standard (APS116), and subject to the traded market risk framework. Any position not deemed to be trading book is considered to be '**banking book**', and covered by either the non-traded market risk or equity risk frameworks.

Traded market risk

Market risk is the risk of adverse changes in the value of the Consolidated Entity's trading positions as a result of changes in market conditions. The Consolidated Entity is exposed to the following risks:

- **price**: The risk of loss due to changes in price of a risk factor (interest rates, foreign exchange, commodities etc.)
- **volatility**: The risk of loss due to changes in the volatility of a risk factor
- **basis**: The risk of imperfect correlation between offsetting investments in a hedging strategy
- **correlation**: The risk that the actual correlation between two assets or variables is different from the assumed correlation
- **illiquid market**: The risk of inability to sell assets or close out positions in thinly-traded markets at close to the last market prices
- **concentration**: The risk of over concentration of trading exposures in certain markets and products
- **valuation adjustments**: The risk of actual valuation adjustments to derivative positions; specifically Credit Valuation Adjustment (CVA), Debit Valuation Adjustment (DVA) and Funding Valuation Adjustment (FVA).

It is recognised that all trading activities contain calculated elements of risk taking. The Consolidated Entity is prepared to accept such risks provided they are within agreed limits, independently and correctly identified, calculated and monitored by RMG, and reported to senior management on a regular basis.

RMG monitors positions within the Consolidated Entity according to a limit structure which sets limits for all exposures in all markets. Limits are set for both individual trading desks and divisions as well as in aggregate.

RMG sets three complementary limit structures:

- **contingent loss limits**: Worst-case scenarios that shock prices and volatilities by more than that which has occurred historically. Multiple scenarios are set for each market to capture the non-linearity and complexity of exposures arising from derivatives. A wide range of assumptions about the correlation between markets is applied
- **position limits**: Volume, maturity and open position limits are set on a large number of market instruments and securities in order to constrain concentration risk and to avoid the accumulation of risky, illiquid positions
- **Value-at-Risk (VaR) limits**: A statistical measure based on a 10-day holding period and a 99% confidence level, as stipulated by the APRA capital adequacy standard. The model is validated daily by back testing a one-day VaR against hypothetical and actual daily trading profit or loss.

Note 36

Financial risk management continued

Note 36.3 Market risk continued

Value-at-Risk figures (1-day, 99% confidence level)

The table below shows the average, maximum and minimum VaR over the financial year for the major markets in which the Consolidated Entity operates. The VaR shown in the table is based on a one-day holding period being the mark-to-market loss that could be incurred over that period. The aggregated VaR includes the effects of correlation between risk factors.

	2025			2024		
	Average	**Maximum**	**Minimum**	Average	Maximum	Minimum
	$m	**$m**	**$m**	$m	$m	$m
Equities	**11.54**	**16.46**	**6.49**	5.74	8.04	3.59
Interest rates	**4.61**	**7.40**	**3.07**	5.21	8.00	3.56
Foreign exchange	**4.20**	**6.96**	**2.21**	3.37	8.05	1.41
Commodities and commodity contracts	**24.85**	**42.15**	**18.53**	32.02	50.26	17.18
Aggregate	**28.86**	**45.44**	**20.87**	33.26	53.17	20.36

Value-at-Risk

The VaR model uses a Monte Carlo simulation where price and volatility risk factors are derived from multiple normal distributions, based on three years of historical data. The following factors can limit the effectiveness of VaR in predicting future price moves:

- the use of historical data means that the current model parameters may not reflect future market conditions especially when entering a period of heightened volatility. The model utilises exponential weighting to place emphasis on the most recent market movements to more accurately reflect current conditions
- VaR is calculated at the 99% level of confidence and does not account for losses that could occur beyond this point.

For capital adequacy purposes, debt-specific risk is measured using APRA's standard method, whilst all other exposures are captured by the VaR model. This combined approach has been approved by APRA.

Non-traded market risk

The Consolidated Entity has exposure to non-traded market risks arising from transactions entered into during its normal course of business and as a result of its investments in foreign operations. These risks include:

- **interest rate:** changes in the level, shape and volatility of yield curves, and/or client behaviour given these changes
- **foreign exchange:** changes in the spot exchange rates
- **credit spread**: exposure due to changes in market pricing for a given level of credit risk. Note this does not include idiosyncratic risk to a particular counterparty which is covered under Credit Risk frameworks.

The Consolidated Entity has limited appetite for non-traded market risks. Where commercially feasible, these risks are transferred into the trading books of CGM and Group Treasury and governed within the traded market risk framework described above. Responsibility for managing exposures rests with individual businesses, with independent monitoring performed by RMG and FPE.

Accounting considerations arising from hedging activities

The use of derivative and other financial instruments to hedge non-traded positions potentially gives rise to income statement volatility due to difference in accounting treatments. The Consolidated entity manages this volatility through hedge accounting and use of naturally offsetting positions in the income statement as set out in Note 44(x) *Derivative instruments and hedging activities* and Note 35 *Hedge accounting*.

Interest rate risk in the banking book (IRRBB)

Macquarie measures and monitors interest rate risk on both an economic value and earnings basis, which are modelled as the worst-case contingent loss from a set of six severe interest rate shocks, including both parallel and non-parallel shocks. Aggregate IRRBB exposures for the Consolidated Entity are constrained on both measures:

- **Economic Value Sensitivity (EVS)**: the EVS metric measures the change in net present value of the interest-bearing portfolios in the banking book as a result of changes in interest rates
- **Earnings at Risk (EaR)**: the EaR model constrains the impact on reported net income over 12 months for a change in interest rates.

A central objective of the Consolidated Entity's *Non-traded Market Risk Policy* is to reduce earnings volatility to interest rate movements. A key component of this arises where shareholders' equity invested in interest bearing assets are managed by holding a portfolio of 'receive fixed' interest rate swaps. The duration of this hedging program is constrained by Board-approved limits, and subject to independent oversight by RMG.

Note 36

Financial risk management continued

Note 36.3 Market risk continued

Foreign exchange risk

The Consolidated Entity is active in various currencies globally. A key objective of the Consolidated Entity's Non-traded Market Risk Policy is to reduce this sensitivity of regulatory capital ratios to foreign currency movements.

This is achieved by leaving specific investments in foreign operations exposed to foreign currency translation movements and captured in the foreign currency translation reserve, a component of regulatory capital, which aligns the foreign exchange sensitivity of capital supply with that of foreign currency capital requirements.

The table below presents the sensitivity of the Consolidated Entity's net investment in foreign operations to the most material currencies. As a result of the policy described above, these movements will not have a material impact on the capital ratios.

	2025		2024	
	Movement in exchange rates	Sensitivity of other comprehensive income after tax	Movement in exchange rates	Sensitivity of other comprehensive income after tax
	%	$m	%	$m
				CONSOLIDATED
United States dollar	+10	(1,439)	+10	(1,312)
Pound sterling	+10	(247)	+10	(220)
Euro	+10	(152)	+10	(145)
Total		**(1,838)**		(1,677)
United States dollar	-10	1,439	-10	1,312
Pound sterling	-10	247	-10	220
Euro	-10	152	-10	145
Total		**1,838**		1,677

Equity price risk

The below table indicates the income statement effect of the Consolidated Entity's equity exposures held as part of its non-trading investment portfolio, due to a reasonably possible change in equity prices, with all other variables held constant. Equity exposures exclude interest in associate and joint ventures.

	2025		2024	
	Movement in equity price	Sensitivity of profit after tax	Movement in equity price	Sensitivity of profit after tax
	%	$m	%	$m
				CONSOLIDATED
Listed	+10	7	+10	13
Unlisted	+10	114	+10	137
Increase in equity prices	+10	121	+10	150
Listed	-10	(7)	-10	(13)
Unlisted	-10	(114)	-10	(137)
Decrease in equity prices	-10	(121)	-10	(150)

Note 37

Measurement categories of financial instruments

The following table contains information relating to the measurement categories (i.e. Held for trading (HFT), FVTPL, DFVTPL, FVOCI or Amortised cost) of assets and liabilities of the Consolidated Entity. The description of measurement categories are included in Note 44(vii) *Financial instruments*.

The methods and significant assumptions that have been applied in determining the fair values of assets and liabilities are disclosed in Note 38 *Fair value of assets and liabilities*.

	FINANCIAL INSTRUMENTS CARRIED AT							FAIR VALUE OF ITEMS CARRIED AT	
	FAIR VALUE								
	HFT $m	DFVTPL $m	FVTPL $m	FVOCI $m	Amortised Cost $m	Non-financial instruments $m	Statements of financial position total $m	Fair Value $m	Amortised Cost $m
								CONSOLIDATED 2025	
Assets									
Cash and bank balances	-	-	-	-	26,385	-	26,385	-	26,385
Cash collateralised lending and reverse repurchase agreements	-	256	8,299	40,095	17,929	-	66,579	48,650	17,929
Trading assets[1]	27,617	-	-	-	-	7,419	35,036	35,036	-
Margin money and settlement assets	-	-	353	-	26,267	-	26,620	353	26,267
Derivative assets	22,907	-	1,362	-	-	-	24,269	24,269	-
Financial investments:									
Equity	-	-	1,814	-	-	-	1,814	1,814	-
Debt[2]	-	-	1,515	16,040	2,086	-	19,641	17,555	2,086
Held for sale assets	8	-	303	-	750	5,551	6,612	311	750
Other assets[3]	-	-	3,995	394	5,900	3,924	14,213	5,042	5,900
Loan assets	-	-	2,165	618	202,865	-	205,648	2,783	203,441
Interests in associates and joint ventures:									
Equity interests	-	-	35	-	-	6,687	6,722	35	-
Loans to associates and joint ventures	-	-	441	-	557	-	998	441	557
Property, plant and equipment and right-of-use assets	-	-	-	-	-	6,928	6,928	-	-
Intangible assets	-	-	-	-	-	1,671	1,671	-	-
Investments in subsidiaries	-	-	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	2,085	2,085	-	-
Total assets	**50,532**	**256**	**20,282**	**57,147**	**282,739**	**34,265**	**445,221**	**136,289**	**283,315**
Liabilities									
Deposits	-	-	-	-	177,671	-	177,671	-	177,682
Cash collateralised borrowing and repurchase agreements	-	24	-	-	4,909	-	4,933	24	4,909
Trading liabilities	5,851	-	-	-	-	-	5,851	5,851	-
Margin money and settlement liabilities	-	-	-	-	28,845	-	28,845	-	28,845
Derivative liabilities	20,779	-	2,589	-	-	-	23,368	23,368	-
Held for sale liabilities	20	-	-	-	1,207	719	1,946	20	1,207
Other liabilities[4]	-	3,743	-	-	3,879	7,351	14,973	3,743	2,938
Issued debt securities and other borrowings[2]	-	3,392	-	-	131,780	-	135,172	3,392	132,850
Deferred tax liabilities	-	-	-	-	-	272	272	-	-
Loan capital	-	-	-	-	16,401	-	16,401	-	16,882
Total liabilities	**26,650**	**7,159**	**2,589**	**-**	**364,692**	**8,342**	**409,432**	**36,398**	**365,313**

1 Non-financial assets under 'Trading assets' represent commodities carried at fair value less costs to sell.
2 Items measured at amortised cost or cost includes, where applicable, fair value hedge accounting adjustments for the designated hedged risks.
3 Non-financial assets under 'Other assets' include investment properties carried at fair value.
4 The fair value of other liabilities carried at amortised cost excludes lease liabilities. Carrying value of other liabilities at DFVTPL approximates the contractual payables at maturity.

Note 37

Measurement categories of financial instruments continued

	FINANCIAL INSTRUMENTS CARRIED AT							FAIR VALUE OF ITEMS CARRIED AT	
	FAIR VALUE								
	HFT	DFVTPL	FVTPL	FVOCI	Amortised Cost	Non-financial instruments	Statements of financial position total	Fair Value	Amortised Cost
	$m	$m	$m	$m	$m	$m	$m	$m	$m
									CONSOLIDATED 2024
Assets									
Cash and bank balances	–	–	–	–	31,855	–	31,855	–	31,855
Cash collateralised lending and reverse repurchase agreements	–	–	11,774	34,915	11,727	–	58,416	46,689	11,727
Trading assets[1]	25,398	–	–	–	–	2,526	27,924	27,924	–
Margin money and settlement assets	–	–	275	–	23,842	–	24,117	275	23,842
Derivative assets	23,064	–	1,003	–	–	–	24,067	24,067	–
Financial investments:									
Equity	–	–	2,218	–	–	–	2,218	2,218	–
Debt[2]	–	–	787	19,453	1,920	–	22,160	20,240	1,920
Held for sale assets		–	352	–	–	1,852	2,204	352	–
Other assets[3]		–	3,976	255	4,173	4,234	12,638	5,157	4,173
Loan assets[2]	–	–	1,310	559	174,502	–	176,371	1,869	175,019
Interests in associates and joint ventures:									
Equity interests	–	–	9	–	–	5,833	5,842	9	–
Loans to associates and joint ventures[2]	–	–	649	–	478	–	1,127	649	478
Property, plant and equipment and right-of-use assets[2]	–	–	–	–	–	8,134	8,134	–	–
Intangible assets	–	–	–	–	–	4,254	4,254	–	–
Deferred tax assets	–	–	–	–	–	2,077	2,077	–	–
Total assets	48,462	–	22,353	55,182	248,497	28,910	403,404	129,449	249,014
Liabilities									
Deposits	–	–	–	–	148,416	–	148,416	–	148,375
Cash collateralised borrowing and repurchase agreements	–	82	–	–	12,517	–	12,599	82	12,517
Trading liabilities	5,044	–	–	–	–	–	5,044	5,044	–
Margin money and settlement liabilities	–	–	–	–	28,423	–	28,423	–	28,423
Derivative liabilities	21,808	–	3,777	–	–	–	25,585	25,585	–
Held for sale liabilities	–	–	–	–	397	10	407	–	397
Other liabilities[4]	–	3,885	–	–	2,712	7,875	14,472	3,885	2,712
Issued debt securities and other borrowings[2]	–	2,792	–	–	117,086	–	119,878	2,792	118,276
Deferred tax liabilities	–	–	–	–	–	383	383	–	–
Loan capital	–	–	–	–	14,201	–	14,201	–	14,688
Total liabilities	26,852	6,759	3,777	–	323,752	8,268	369,408	37,388	325,388

1 Non-financial assets under 'Trading assets' represent commodities carried at fair value less costs to sell.
2 Items measured at amortised cost or cost includes, where applicable, fair value hedge accounting adjustments for the designated hedged risks.
3 Non-financial assets under 'Other assets' include investment properties carried at fair value.
4 The fair value of other liabilities carried at amortised cost excludes lease liabilities. Carrying value of other liabilities at DFVTPL approximates the contractual payables at maturity.

Note 37

Measurement categories of financial instruments continued

The following table contains information relating to the measurement categories of assets and liabilities of the Company. The description of measurement categories are included in Note 44(vii) *Financial instruments*.

The methods and significant assumptions that have been applied in determining the fair values of assets and liabilities are disclosed in Note 38 *Fair value of assets and liabilities*.

	FINANCIAL INSTRUMENTS CARRIED AT							FAIR VALUE OF ITEMS CARRIED AT	
	FAIR VALUE				Amortised Cost	Non-financial instruments	Statements of financial position total	Fair Value	Amortised Cost
	HFT	DFVTPL	FVTPL	FVOCI					
	$m	$m	$m	$m	$m	$m	$m	$m	$m
									COMPANY 2025
Assets									
Derivative assets	–	–	–	–	–	–	–	–	–
Financial investments:									
Debt	–	–	–	1,106	–	–	1,106	1,106	–
Other assets	–	–	–	–	–	26	26	–	–
Due from subsidiaries[1]	108	–	3,895	–	46,161	280	50,444	4,003	45,001
Investments in subsidiaries	–	–	–	–	–	33,395	33,395	–	–
Deferred tax assets	–	–	–	–	–	37	37	–	–
Total assets	**108**	**–**	**3,895**	**1,106**	**46,161**	**33,738**	**85,008**	**5,109**	**45,001**
Liabilities									
Derivative liabilities	10	–	–	–	–	–	10	10	–
Other liabilities[2]	–	–	–	–	20	261	281	–	20
Due to subsidiaries[3]	481	–	–	–	5,436	774	6,691	481	5,436
Issued debt securities and other borrowings	–	1,866	–	–	41,440	–	43,306	1,866	40,514
Loan capital	–	–	–	–	3,857	–	3,857	–	3,988
Total liabilities	**491**	**1,866**	**–**	**–**	**50,753**	**1,035**	**54,145**	**2,357**	**49,938**

[1] Due from subsidiaries includes derivatives and trading positions classified as HFT and subordinated loan to subsidiaries classified as FVTPL. All other intercompany receivables are carried at amortised cost. Non-financial receivables primarily represent internal tax balances.
[2] Non-financial liabilities primarily represents provisions for tax payable and MEREP related obligations.
[3] Due to subsidiaries includes derivatives and trading positions classified as held for trading; employee stock option related obligations and tax payables classified as non-financial liabilities. All other intercompany payables are carried at amortised cost.

Note 37
Measurement categories of financial instruments continued

	FINANCIAL INSTRUMENTS CARRIED AT							FAIR VALUE OF ITEMS CARRIED AT	
	FAIR VALUE								
	HFT	DFVTPL	FVTPL	FVOCI	Amortised Cost	Non-financial instruments	Statements of financial position total	Fair Value	Amortised Cost
	$m	$m	$m	$m	$m	$m	$m	$m	$m
									COMPANY 2024
Assets									
Derivative assets	1	–	–	–	–	–	1	1	–
Financial investments:									
Debt	–	–	–	1,763	–	–	1,763	1,763	–
Other assets	–	–	–	–	–	22	22	–	–
Due from subsidiaries[1]	82	–	3,394	–	45,891	345	49,712	3,476	43,514
Investments in subsidiaries	–	–	–	–	–	33,805	33,805	–	–
Deferred tax assets	–	–	–	–	–	41	41	–	–
Total assets	83	–	3,394	1,763	45,891	34,213	85,344	5,240	43,514
Liabilities									
Derivative liabilities	5	–	–	–	–	–	5	5	–
Other liabilities[2]	–	–	–	–	36	133	169	–	36
Due to subsidiaries[3]	768	–	–	–	5,344	1,145	7,257	768	5,344
Issued debt securities and other borrowings	–	1,377	–	–	41,758	–	43,135	1,377	40,211
Loan capital	–	–	–	–	3,371	–	3,371	–	3,530
Total liabilities	773	1,377	–	–	50,509	1,278	53,937	2,150	49,121

1 Due from subsidiaries includes derivatives and trading positions classified as HFT and subordinated loan to subsidiaries classified as FVTPL. All other intercompany receivables are carried at amortised cost. Non-financial receivables primarily represent internal tax balances.
2 Non-financial liabilities primarily represents provisions for tax payable and MEREP related obligations.
3 Due to subsidiaries includes derivatives and trading positions classified as held for trading; employee stock option related obligations and tax payables classified as non-financial liabilities. All other intercompany payables are carried at amortised cost.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 38

Fair value of assets and liabilities

Fair value reflects the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial or non-financial instrument is not active, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing at the measurement date.

The values derived from applying these techniques are affected by the choice of valuation model used and the underlying assumptions made regarding such inputs.

Items measured at fair value are categorised in their entirety, in accordance with the levels of the fair value hierarchy as outlined below.

Level 1:	unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3:	inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The appropriate fair value hierarchy level for an item is determined on the basis of the lowest level input that is significant to the fair value measurement.

AASB 13 *Fair Value Measurement* requires the use of the price within the bid-offer spread that is most representative of fair value. Valuation systems will typically generate mid-market prices. The bid-offer adjustment reflects the extent to which bid-offer costs would be incurred if substantially all of the residual net exposure to market risks were closed, on a portfolio basis, using available hedging instruments.

The following methods and significant assumptions have been applied in determining the fair values of the following items carried at amortised cost in the Statements of financial position.

Asset or liability	Valuation techniques, inputs and other significant assumptions
Cash and bank balances, Cash collateralised lending and reverse repurchase agreements, Cash collateralised borrowing and repurchase agreements	The fair value of cash and bank balance, cash collateralised lending and reverse repurchase agreements, cash collateralised borrowing and repurchase agreements approximates their carrying amounts as these are highly liquid and short-term in nature.
Loan assets and Deposits	The fair value of fixed rate loan assets and term deposits is determined with reference to changes in interest rates and credit spreads. The fair value of variable rate loan assets and deposits approximates their carrying amounts, subject to any adjustment for changes in the credit spreads. The fair value of demand deposits with no fixed maturity approximates their carrying amount as they are short-term in nature or are payable on demand.
Financial investments	The fair value of liquid assets and other instruments maturing within three months are approximate to their carrying amounts. The fair value of fixed rate debt investments is estimated by reference to current market rates offered on similar securities and the creditworthiness of the borrower. The fair value of variable rate debt investments approximate their carrying amounts, subject to any adjustment for changes in credit spreads.
Issued debt securities and other borrowings, and Loan capital	The fair value of issued debt securities, borrowings and loan capital is based on quoted prices in active markets, where available. Where quoted prices are not available the fair value is based on discounted cash flows using rates appropriate to the term and incorporates changes in the Consolidated Entity's own credit spread.
Margin money, settlement assets and settlement liabilities, Other financial assets and financial liabilities	The fair value of margin money, settlement assets, settlement liabilities, other financial assets and financial liabilities approximate their carrying amounts, subject to any adjustments for changes in credit spreads.

Note 38

Fair value of assets and liabilities continued

The following methods and significant assumptions have been applied in determining the fair values of following items carried at fair value in the Statements of financial position.

Asset or liability	Valuation techniques, inputs and other significant assumptions
Trading assets, Trading liabilities and Derivatives	Trading assets, including commodity inventory and commodity contracts, trading liabilities, derivative financial instruments and other transactions undertaken for trading purposes are measured at fair value by reference to quoted prices in active markets, where available (for example, listed securities). If quoted prices in active markets are not available, then fair values are estimated on the basis of other recognised valuation techniques that maximise the use of quoted prices and observable market inputs. The Consolidated Entity has incorporated the market implied funding costs for uncollateralised derivative positions as a Funding Valuation Adjustment (FVA). FVA is determined by calculating the net expected exposures at a counterparty level and applying the Consolidated Entity's internal Treasury lending rates as an input into the calculation.
Repurchase and reverse repurchase agreements	Repurchase and reverse repurchase agreements, being collateralised financing arrangements, are measured at fair value with reference to current market rates and giving consideration to the fair value of securities held or provided as the collateral.
Financial investments	Financial investments classified as FVTPL or FVOCI are measured at fair value by reference to quoted prices in active markets, where available (for example, listed securities). If quoted prices in active markets are not available, the fair values are estimated on the basis of other recognised valuation techniques that maximise the use of quoted prices and observable market inputs.
Loan assets, loans to associates and joint ventures, Issued debt securities and other borrowings	Fair values of loans and issued debt securities are measured based on market observable inputs such as interest rate spreads. If market observable inputs are not available, the fair values are estimated based on discounted future cashflows.
Investment properties	Investment properties is measured at fair value based on the discounted future cash flow approach or the capitalisation approach and is supported by recent market transactions, where available. The adopted discount rates and capitalisation rates are determined based on industry expertise.
Other financial assets and financial liabilities	Fair values of other financial assets and financial liabilities are based upon data or valuation techniques appropriate to the nature and type of the underlying instruments.

For financial assets carried at fair value, in order to measure counterparty credit risk, an adjustment is incorporated into the valuation. Where exposures are managed on a portfolio basis, the adjustment is calculated on a counterparty basis for those exposures. For financial liabilities carried at fair value, in order to measure the Consolidated Entity's own credit risk, an adjustment is incorporated into the valuations.

Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. The output of a valuation technique is always an estimate of a fair value that cannot be measured with complete certainty. Models are reviewed and calibrated periodically to test the outputs and reflect the prices from observable current market transactions in same instrument or other available observable market data.

To the extent possible, models use only observable market data, however management is required to make assumptions for certain inputs that are not supported by prices from observable current market transactions in the same instrument such as volatility and correlation. Refer to significant unobservable inputs section for further details.

Note 38

Fair value of assets and liabilities continued

Assets and liabilities measured at amortised cost

The fair values calculated for financial instruments which are carried in the Statements of financial position at amortised cost are for disclosure purposes only. The methods and assumptions applied to derive these fair values can require significant judgement by management and therefore may not necessarily be comparable to other financial institutions. Where information on the significance of unobservable inputs to the fair value measurement is not readily available, financial assets and financial liabilities measured at amortised cost are categorised on the basis that unobservable inputs are significant to the position.

The following table summarises the levels of the fair value hierarchy of financial assets and financial liabilities measured at amortised cost except where the carrying value is approximately equal to the fair value.

	Level 1	Level 2	Level 3	Total
	$m	$m	$m	$m
				CONSOLIDATED 2025
Assets				
Loan assets	**–**	**8,434**	**195,007**	**203,441**
Total assets	**–**	**8,434**	**195,007**	**203,441**
Liabilities				
Deposits	**134,769**	**24,845**	**18,068**	**177,682**
Issued debt securities and other borrowings	**489**	**122,776**	**9,585**	**132,850**
Loan capital	**6,527**	**10,355**	**–**	**16,882**
Total liabilities	**141,785**	**157,976**	**27,653**	**327,414**
				CONSOLIDATED 2024
Assets				
Loan assets	–	7,134	167,885	175,019
Total assets	–	7,134	167,885	175,019
Liabilities				
Deposits	107,085	21,675	19,616	148,376
Issued debt securities and other borrowings	–	106,752	11,525	118,277
Loan capital	5,979	8,709	–	14,688
Total liabilities	113,064	137,136	31,141	281,341

The financial assets and liabilities measured at amortised cost in the Company as at 31 March 2025 and 31 March 2024 are categorised as Level 2 in the fair value hierarchy except for loan capital which is classified as Level 1.

Note 38

Fair value of assets and liabilities continued

Assets and liabilities measured at fair value

The following table summarises the levels of the fair value hierarchy for assets and liabilities that are recognised and measured at fair value in the financial statements.

	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
				CONSOLIDATED 2025
Assets				
Cash collateralised lending and reverse repurchase agreements	**–**	**48,650**	**–**	**48,650**
Trading assets	**22,580**	**11,580**	**876**	**35,036**
Margin money and settlement assets	**–**	**353**	**–**	**353**
Derivative assets	**78**	**23,773**	**418**	**24,269**
Financial investments	**2,171**	**15,366**	**1,832**	**19,369**
Held for sale and other assets[1]	**77**	**4,234**	**1,042**	**5,353**
Loan assets	**–**	**769**	**2,014**	**2,783**
Interests in associates and joint ventures	**–**	**–**	**476**	**476**
Total assets	**24,906**	**104,725**	**6,658**	**136,289**
Liabilities				
Cash collateralised borrowing and repurchase agreements	**–**	**24**	**–**	**24**
Trading liabilities	**5,452**	**399**	**–**	**5,851**
Derivative liabilities	**3**	**23,043**	**322**	**23,368**
Held for sale and other liabilities	**–**	**3,731**	**32**	**3,763**
Issued debt securities and other borrowings	**–**	**3,392**	**–**	**3,392**
Total liabilities	**5,455**	**30,589**	**354**	**36,398**
				CONSOLIDATED 2024
Assets				
Cash collateralised lending and reverse repurchase agreements	–	46,689	–	46,689
Trading assets	19,959	7,146	819	27,924
Margin money and settlement assets	–	275	–	275
Derivative assets	1	23,652	414	24,067
Financial investments	300	20,042	2,116	22,458
Held for sale and other assets[1]	–	4,269	1,240	5,509
Loan assets	–	427	1,442	1,869
Interests in associates and joint ventures	–	–	658	658
Total assets	20,260	102,500	6,689	129,449
Liabilities				
Cash collateralised borrowing and repurchase agreements	–	82	–	82
Trading liabilities	4,835	209	–	5,044
Derivative liabilities	–	25,002	583	25,585
Held for sale and other liabilities	–	3,785	100	3,885
Issued debt securities and other borrowings	–	2,792	–	2,792
Total liabilities	4,835	31,870	683	37,388

The Company does not hold financial assets and liabilities measured at fair value except for:

- $1,106 million (2024: $1,763 million) financial investments which are Level 2 financial instruments;
- $3,895 million (2024: $3,394 million) loan capital securities held in subsidiaries which are Level 2 financial instruments;
- $108 million (2024: $82 million) derivative assets and $481 million (2024: $768 million) derivative liabilities with subsidiaries which are Level 2 financial instruments; and
- $1,866 million (2024: $1,377 million) issued debt securities and other borrowings which are Level 2 financial instruments.

Fair value sensitivity of these intercompany balances to alternate assumptions and valuation inputs is not significant and hence not covered under the sensitivity analysis disclosures.

[1] Includes $659 million (2024: $927 million) of investment properties measured at fair value.

Note 38

Fair value of assets and liabilities continued

Reconciliation of balances in Level 3 of the fair value hierarchy

The following table summarises the movements in Level 3 of the fair value hierarchy for assets and liabilities, measured at fair value on a recurring basis by the Consolidated Entity.

	Trading assets	Financial investments	Held for sale and other assets	Loan assets	Interests in associates and joint ventures	Derivative financial instruments (net fair values)[1]	Held for sale and other liabilities	Total
	$m	$m	$m	$m	$m	$m	$m	$m
Balance as at 1 Apr 2023	804	1,862	1,073	1,241	544	12	–	5,536
Purchases, originations, issuances and other additions	712	500	259	675	512	42	(126)	2,574
Sales, settlements and repayments	(617)	(91)	(191)	(558)	(35)	(226)	21	(1,697)
Reclassification	–	(9)	201	–	(192)	–	–	–
Transfers into Level 3[2]	10	36	–	4	69	30	–	149
Transfers out of Level 3[2]	(182)	(653)	(169)	–	(106)	(64)	5	(1,169)
Fair value movements recognised in the income statement:								
Net trading income/(loss)[3]	92	68	23	35	8	47	–	273
Other income/(loss)	–	368	44	50	(127)	–	–	335
Fair value movements recognised in OCI	–	35	–	(5)	(15)	(10)	–	5
Balance as at 31 Mar 2024	819	2,116	1,240	1,442	658	(169)	(100)	6,006
Fair value gain/(loss) for the financial year included in the income statement for assets and liabilities held at the end of the financial year[3]	91	416	(1)	57	(95)	48	–	516
Balance as at 1 Apr 2024	**819**	**2,116**	**1,240**	**1,442**	**658**	**(169)**	**(100)**	**6,006**
Purchases, originations, issuances and other additions	**885**	**160**	**651**	**1,461**	**244**	**(24)**	**(9)**	**3,368**
Sales, settlements and repayments	**(767)**	**(477)**	**(982)**	**(1,011)**	**(226)**	**143**	**97**	**(3,223)**
Reclassification	**–**	**(23)**	**70**	**(5)**	**(40)**	**18**	**(20)**	**–**
Transfers into Level 3[2]	**12**	**146**	**3**	**136**	**35**	**52**	**–**	**384**
Transfers out of Level 3[2]	**(73)**	**(328)**	**(22)**	**(74)**	**(114)**	**(29)**	**–**	**(640)**
Fair value movements recognised in the income statement:								
Net trading income/(loss)[3]	**–**	**71**	**53**	**86**	**17**	**115**	**–**	**342**
Other income/(loss)	**–**	**172**	**29**	**(7)**	**(98)**	**1**	**–**	**97**
Fair value movements recognised in OCI	**–**	**(5)**	**–**	**(14)**	**–**	**(11)**	**–**	**(30)**
Balance as at 31 Mar 2025	**876**	**1,832**	**1,042**	**2,014**	**476**	**96**	**(32)**	**6,304**
Fair value gain/(loss) for the financial year included in the income statement for assets and liabilities held at the end of the financial year[3]	**–**	**210**	**79**	**49**	**(119)**	**118**	**1**	**338**

1 The derivative financial instruments in the table above are presented on a net basis. On a gross basis, derivative assets are $418 million (2024: $414 million) and derivative liabilities are $322 million (2024: $583 million).
2 Assets and liabilities transferred in or out of Level 3 are presented as if the assets or liabilities were transferred at the beginning of the financial year.
3 The Consolidated Entity employs various hedging techniques in order to manage risks including foreign exchange risks in Level 3 positions. The gains and losses relating to such hedging techniques, may include the purchase or sale of financial instruments measured at fair value that are classified as Level 1 or 2 positions or foreign currency denominated financial instruments that are measured at amortised cost, that are not presented in the table above.

Note 38

Fair value of assets and liabilities continued

Significant transfers between levels of the fair value hierarchy

During the financial year, the Consolidated Entity did not have significant transfers between Level 1 and Level 2.

Transfers into Level 3 were due to the lack of observable valuation inputs for certain investments and trading balances. Transfers out of Level 3 were principally due to valuation inputs becoming observable during the financial year. Financial assets reclassified into/out of the fair value hierarchy disclosure due to recognition and measurement category changes, or where there have been changes in significant influence or control but some form of interest in the assets are still retained, are also presented as transfers into/out of Level 3.

Unrecognised gains or losses

The best evidence of fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only data from observable markets (or when inputs from unobservable markets are insignificant). Where such alternative evidence exists, the Consolidated Entity recognises profit or loss immediately when the asset or liability is recognised ('day 1 profit or loss'). When significant unobservable inputs are used to determine fair value, the day 1 profit or loss is deferred and is recognised in the income statement over the life of the transaction or when the inputs become observable.

The table below summarises the deferral and recognition of profit or loss where a valuation technique has been applied in which significant unobservable inputs are used.

	CONSOLIDATED	
	2025	2024
	$m	$m
Balance at the beginning of the financial year	**288**	272
Deferred gain on new transactions and other adjustments	**239**	190
Foreign exchange movements	**3**	(2)
Recognised in net trading income during the year	**(150)**	(172)
Balance at the end of the financial year	**380**	288

Note 38

Fair value of assets and liabilities continued

Significant unobservable inputs

The following table contains information about the significant unobservable inputs used in Level 3 valuations, and the valuation techniques used to measure fair value. The range of values represent the highest and lowest input used in the valuation techniques. The range does not reflect the level of uncertainty regarding a particular input, but rather the different underlying characteristics of the relevant assets and liabilities.

	Fair value of assets $m	Fair value of liabilities $m	Valuation technique(s)	Significant unobservable inputs	RANGE OF INPUTS Minimum value	Maximum value
					CONSOLIDATED 2025	
Interest rate and other products	**3,243**	**20**	Discounted cash flows	Discount rates - Credit spread	**4.2 %**	**12.5 %**
			Comparable transactions	Price in %	**97.5**	**100.0**
Commodities	**1,086**	**304**	Pricing Model	Commodity margin curves	**(188.7)**	**2,552.2**
			Pricing Model	Correlation	**20.0%**	**100.0%**
			Pricing Model	Volatility and related variables	**5.9 %**	**90.5 %**
Equity and equity-linked products	**2,329**	**30**	Net asset value (NAV)	Fund's NAV[1]	**–**	**–**
			Pricing Model	Earnings multiple	**6.5x**	**10.0x**
Total	**6,658**	**354**				
					CONSOLIDATED 2024	
Interest rate and other products	3,661	69	Discounted cash flows	Discount rates - Credit spread	5.7%	10.0%
			Comparable transactions	Price in %	40.0	94.9
Commodities	1,203	608	Pricing Model	Commodity margin curves	(230.9)	958.7
			Pricing Model	Correlation	(50.0%)	100.0%
			Pricing Model	Volatility and related variables	–	212.1%
Equity and equity-linked products	1,825	6	Net asset value (NAV)	Fund's NAV[1]	–	–
			Pricing Model	Earnings multiple	7.0x	16.7x
Total	6,689	683				

The following information contains details around the significant unobservable inputs which are utilised to fair value the Level 3 assets and liabilities.

Interest rate and other products

Discount rate – Credit spreads: Loans are generally valued using discount rates. Significant unobservable inputs may include interest rates and credit spreads of counterparties and original issue discounts on primary debt issuances. Credit spread is the premium over a benchmark interest rate required by the market to accept lower credit quality which increase the discount factor applied to future cash flows thereby reducing the value of the asset. Credit spreads may be implied from the market prices and may not be observable in more illiquid markets.

Price in %: Comparable transactions are leveraged to price the fair value of the assets and liabilities and a percentage is applied to ascertain the proportion of the transaction price that is comparable with the specific asset/liability. This price percentage is an unobservable input and judgemental depending on the characteristics of the asset/liability.

[1] The range of inputs in NAV is not disclosed as the diverse nature of the underlying investments results in a wide range of inputs.

Note 38

Fair value of assets and liabilities continued

Commodities

Commodity margin curves: Certain commodities are valued using related observable products from the market and a margin is applied to the observable market inputs to mitigate the impact of differences in the products. Judgement is involved in the calculation of these margin curves depending on the quality of the commodity or delivery location and other economic conditions.

Correlation: Correlation is a measure of the relationship between the movements of input variables (i.e. how the change in one variable influences a change in the other variable). It is expressed as a percentage between –100% and +100%, where 100% represents perfectly correlated variables and –100% represents inversely correlated variables. Correlation is a key input into the valuation of derivatives with more than one underlying (e.g. interest rates, credit spreads, foreign exchanges rates, inflation rates or equity prices) and is generally used to value hybrid and exotic instruments.

Volatility: Volatility is a measure of the variability or uncertainty in returns for a given underlying input and is generally expressed as a percentage, which represents an estimate of the amount a particular underlying instrument, parameter or index will change in value over time. Volatility is an input in the valuation of derivatives containing optionality. Volatility is impacted by the underlying risk, term and strike price of a derivative.

Correlations and volatilities are derived through the extrapolation of observable volatilities, recent transaction prices, quotes from other market participants and historical data adjusted for current conditions.

Equity and equity-linked products

Unlisted equity securities are generally valued based on earnings or revenue multiples, referencing market transactions which are not directly comparable or quantifiable and are adjusted as appropriate for current economic conditions. Other significant unobservable inputs may include NAV and discount rates determined using inputs specific to the underlying investment and forecast cash flows and earnings/revenues of investee entities.

Sensitivity analysis of valuations using unobservable inputs

The table below shows the sensitivity to reasonably possible alternative assumptions for Level 3 instruments whose fair values are determined in whole, or in part, using unobservable inputs. The sensitivity aims to measure the impact on fair value when significant unobservable inputs are stressed. Favourable and unfavourable changes in the below table represents such fair value movement. The impact of the sensitivity of instruments which hedge the Level 3 positions but are classified as Level 1 or 2 is not included in the table below.

	FAVOURABLE CHANGES		UNFAVOURABLE CHANGES	
	Profit or loss $m	OCI $m	Profit or loss $m	OCI $m
				CONSOLIDATED 2025
Product type				
Commodities	**128**	**–**	**(121)**	**–**
Interest rate and other products	**61**	**24**	**(124)**	**(27)**
Equity and equity-linked products	**270**	**–**	**(217)**	**–**
Total	**459**	**24**	**(462)**	**(27)**
				CONSOLIDATED 2024
Product type				
Commodities	214	–	(181)	–
Interest rate and other products	153	18	(172)	(23)
Equity and equity-linked products	174	–	(121)	–
Total	541	18	(474)	(23)

The favourable and unfavourable changes from using reasonable possible alternative assumptions for the valuation of above product types have been calculated by recalibrating the valuation model using stressed significant unobservable inputs of the Consolidated Entity's range of reasonably possible estimates.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 39

Offsetting financial assets and financial liabilities

The Consolidated Entity and the Company presents financial assets and financial liabilities on a net basis in the Statements of financial position when they meet the criteria described in Note 44(vii) *Financial instruments*. The following tables provide information on the impact of offsetting of financial instruments in the Statements of financial position, as well as amounts subject to enforceable netting arrangements that do not meet all the criteria for offsetting and therefore presented gross in the Statements of financial position. Enforceable netting arrangements may allow for net settlement of specified contracts with a counterparty only in the event of default or other pre-determined events, such that their potential effects on the Consolidated Entity's and the Company's financial position in that circumstance is to settle these contracts as one arrangement. Amounts subject to enforceable netting arrangements have been limited to the net amount presented in the Statement of financial position so as not to include the impact of over-collateralisation and amounts not subject to enforceable netting arrangements are where there are no master netting arrangements or enforceability of an agreement is uncertain under bankruptcy laws in some countries or industries.

The Consolidated Entity uses a variety of credit risk mitigation strategies in addition to netting and collateral arrangements, therefore amounts presented in this note are not intended to represent the credit risk exposure of the entity. Refer to Note 36.1 *Credit risk* for information on credit risk management.

	EFFECT OF OFFSETTING ON THE STATEMENT OF FINANCIAL POSITION			RELATED AMOUNTS SUBJECT TO ENFORCEABLE NETTING ARRANGEMENTS			
	Gross amount[1]	Amounts offset on the Statements of financial position	Net amounts reported on the Statements of financial position	Other recognised financial instruments	Cash and other financial collateral	Other collateral for exposures not subject to enforceable netting arrangements	Net exposure
	$m	$m	$m	$m	$m	$m	$m
							CONSOLIDATED 2025
Cash collateralised lending and reverse repurchase agreements	**67,684**	**(1,105)**	**66,579**	**(15)**	**(59,667)**	**(6,255)**	**642**
Settlement assets[2]	**17,324**	**(7,450)**	**9,874**	**(2,395)**	**–**	**–**	**7,479**
Derivative assets	**27,902**	**(3,633)**	**24,269**	**(13,587)**	**(3,288)**	**(231)**	**7,163**
Other assets[2]	**5,228**	**(737)**	**4,491**	**(122)**	**(65)**	**(11)**	**4,293**
Total Assets	**118,138**	**(12,925)**	**105,213**	**(16,119)**	**(63,020)**	**(6,497)**	**19,577**
Cash collateralised borrowing and repurchase agreements	**(6,038)**	**1,105**	**(4,933)**	**15**	**2,090**	**8**	**(2,820)**
Settlement liabilities[2]	**(20,291)**	**7,450**	**(12,841)**	**2,385**	**–**	**–**	**(10,456)**
Derivative liabilities	**(27,001)**	**3,633**	**(23,368)**	**13,597**	**5,942**	**14**	**(3,815)**
Other liabilities[2]	**(4,489)**	**737**	**(3,752)**	**122**	**–**	**–**	**(3,630)**
Total Liabilities	**(57,819)**	**12,925**	**(44,894)**	**16,119**	**8,032**	**22**	**(20,721)**
							CONSOLIDATED 2024
Cash collateralised lending and reverse repurchase agreements	58,728	(312)	58,416	(16)	(54,405)	(3,947)	48
Settlement assets[2]	17,157	(6,188)	10,969	(2,782)	–	–	8,187
Derivative assets	29,845	(5,778)	24,067	(12,593)	(4,059)	(60)	7,355
Other assets[2]	5,329	(460)	4,869	(211)	(127)	(29)	4,502
Total Assets	111,059	(12,738)	98,321	(15,602)	(58,591)	(4,036)	20,092
Cash collateralised borrowing and repurchase agreements	(12,911)	312	(12,599)	16	10,357	59	(2,167)
Settlement liabilities[2]	(16,818)	6,188	(10,630)	2,777	(3)	–	(7,856)
Derivative liabilities	(31,363)	5,778	(25,585)	12,598	6,076	70	(6,841)
Other liabilities[2]	(4,308)	460	(3,848)	211	–	–	(3,637)
Total Liabilities	(65,400)	12,738	(52,662)	15,602	16,430	129	(20,501)

[1] Gross amounts for assets include $6,306 million (2024: $3,947 million) of cash collateralised lending and reverse repurchase agreements, $2,770 million (2024: $2,201 million) of settlement assets, $1,027 million (2024: $907 million) of derivative assets, and $4,200 million (2024: $4,455 million) of commodity related receivables not subject to enforceable netting arrangements. Gross amounts for liabilities include $8 million (2024: $59 million) of cash collateralised borrowing and repurchase agreements, $2,546 million (2024: $2,027 million) of settlements liabilities, $847 million (2024: $1,165 million) of derivative liabilities, and $3,620 million (2024: $3,264 million) of commodity related payables not subject to enforceable netting arrangements.

[2] Settlement assets and liabilities excludes margin money assets and liabilities presented under Note 8 *Margin money and settlement assets* and Note 21 *Margin money and settlement liabilities* respectively on the Statements of financial position. Other assets and liabilities represents commodity related receivables and payables, respectively.

Note 39

Offsetting financial assets and financial liabilities continued

	EFFECT OF OFFSETTING ON THE STATEMENT OF FINANCIAL POSITION			RELATED AMOUNTS SUBJECT TO ENFORCEABLE NETTING ARRANGEMENTS			
	Gross amount[1]	Amounts offset on the Statements of financial position	Net amounts reported on the Statements of financial position	Other recognised financial instruments	Cash and other financial collateral	Other collateral for exposures not subject to enforceable netting arrangements	Net exposure
	$m	$m	$m	$m	$m	$m	$m
							COMPANY 2025
Due from subsidiaries[2]	**53,203**	**(3,429)**	**49,774**	**(4,985)**	**–**	**–**	**44,789**
Due to subsidiaries[2]	**(9,346)**	**3,429**	**(5,917)**	**4,985**	**363**	**–**	**(569)**
							COMPANY 2024
Due from subsidiaries[2]	49,644	(925)	48,719	(2,717)	–	–	46,002
Due to subsidiaries[2]	(7,038)	925	(6,113)	2,717	675	–	(2,721)

[1] Gross amounts include $37 million (2024: $34 million) of Due from subsidiaries and $13 million (2024: $15 million) of Due to subsidiaries not subject to enforceable netting arrangements.

[2] Excludes margin money and non-financial assets of $671 million (2024: $993 million) and liabilities of $774 million (2024: $1,144 million) presented under Due from subsidiaries and Due to subsidiaries respectively on the Statements of financial position.

Note 40

Pledged assets and transfers of financial assets

Pledged assets

Assets pledged as security for liabilities include the following:

- securities and commodities included under trading assets and off-balance sheet collateral securities pledged for repurchase transactions, stock lending arrangements, trading liabilities and derivative margining. These transactions are governed by standard industry agreements
- loan assets held by the Consolidated SEs provided as collateral against issued debt securities and other borrowings or repurchase transactions
- other types of financial and non-financial assets provided as collateral for issued debt securities and borrowings
- cash and non-cash collateral placed as part of entering into derivative agreements. These transactions are governed by standard industry agreements. The table below excludes cash margin placed and recognised on the balance sheet. Refer Note 8 *Margin money and settlement assets* for further details.

The table below represents assets that have been pledged as security for liabilities.

	CONSOLIDATED	
	2025	2024
	$m	$m
On Balance Sheet assets		
Cash and bank balances[1]	**774**	556
Trading assets	**6,833**	9,102
Settlement assets	**306**	594
Financial investments	**724**	305
Loan assets[2]	**20,525**	31,507
Property, plant and equipment[1]	**1,652**	1,181
Intangible assets	**2,004**	1,193
Other assets[1]	**2,209**	1,640
Total On Balance Sheet assets pledged for liabilities	**35,027**	46,078
Off-Balance Sheet assets		
Securities and commodities[3]	**26,461**	25,050
Total On and Off-Balance Sheet assets pledge for liabilities	**61,488**	71,128

Transfer of financial assets

The Consolidated Entity may enter into transactions in the normal course of business that transfer risks and rewards of financial assets recognised in the Consolidated Entity's Statements of financial position to other entities. Depending on the criteria discussed in Note 44(vii) *Financial instruments*, the Consolidated Entity may be unable to derecognise the transferred asset, be able to derecognise the transferred assets in full or continue to recognise the asset to the extent of its continuing involvement.

Transferred financial assets that are derecognised

When financial assets are derecognised, some continuing involvement may be retained in the assets in the form of liquidity support, financial guarantees, certain derivatives or retention of part of securitisation interests. For the financial years ended 31 March 2025 and 31 March 2024, there were no material transfers of financial assets where the Consolidated Entity has had continuing involvement.

Transferred financial assets that are not derecognised

The Consolidated Entity did not derecognise any financial assets to the extent of continuing involvement in the years ended 31 March 2025 and 31 March 2024. The following transactions typically result in the transferred assets continuing to be recognised in full.

[1] Certain balances available for immediate sale have been presented as held for sale on Statement of Financial Position.
[2] Includes $20,294 million (2024: $19,252 million) held by Consolidated SEs, which are available as security to holders of notes issued by consolidated securitisation vehicles.
[3] Represents fair value of securities and commodities repledged by the Consolidated Entity out of the non-cash collateral received of $92,673 million (2024: $86,624 million) as part of Cash collateralised lending and reverse repurchase agreements and of $3,295 million (2024: $2,730 million) as part of derivative margining arrangements. Refer Cash collateralised lending and reverse repurchase agreements and Derivative instruments under Note 36.1 *Credit risk – Collateral and credit enhancements held* for further details.

Note 40

Pledged assets and transfers of financial assets
continued

Securitisations and asset backed funding structures

Financial assets (principally home loans, corporate loans and finance lease receivables) are packaged and securities issued to or funding raised from investors. Structured Entities (SEs) used to achieve this purpose are consolidated when the rights to the residual income of the SEs, after all payments to investors and costs of the program have been met, is retained.

If the Consolidated Entity sells financial assets to consolidated SEs, then the transfer is from the Consolidated Entity (which includes the consolidated SEs) to investors. The transfer is in the form of the Consolidated Entity assuming an obligation to pass cash flows from the underlying assets to investors.

Repurchase and securities lending agreements

Securities and commodities sold under an agreement to repurchase and securities subject to lending agreements continue to be recognised in the Statements of financial position and an associated liability is recognised for the consideration received.

Where securities are transferred in return for the loan of other securities or on an unsecured basis in return for a fee, the transferred asset continues to be recognised in full. There is no associated liability as the securities received are not recognised on the balance sheet. The Consolidated Entity is unable to use, sell or pledge the transferred assets for the duration of the transaction and remains exposed to interest rate risk and credit risk on these assets.

In certain arrangements, the transferee cannot otherwise sell or pledge the transferred securities, however, the assets may be substituted if the required collateral is maintained.

Other financial transfers not derecognised

Includes loans and leases sold or lent to an external funder where the Consolidated Entity retains full economic exposure. In such instances, the Consolidated Entity has a right to receive cash from the underlying borrower or lessee and an obligation to pay those cash flows to the external funder.

Also, includes trading assets and financial investments that have been transferred as margin against future trades. The Consolidated Entity is unable to use, sell or pledge the transferred assets for the duration of open position and remains exposed to interest rate risk and credit risk on these assets.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 40

Pledged assets and transfers of financial assets continued

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

			FOR THOSE LIABILITIES THAT ONLY HAVE RECOURSE TO THE TRANSFERRED ASSETS		
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net fair value
	$m	$m	$m	$m	$m
					CONSOLIDATED 2025
Financial assets not derecognised due to repurchase and securities lending agreements:					
Trading assets[1]	**4,426**	**(400)**	**–**	**–**	**–**
Other financial assets not derecognised:					
Trading assets	**1,815**	**–**	**–**	**–**	**–**
Loan assets	**232**	**(232)**	**232**	**(232)**	**–**
Financial assets not derecognised due to securitisations:					
Loan assets[2,3]	**17,005**	**(12,955)**	**17,037**	**(13,103)**	**3,934**
Total financial assets not derecognised	**23,478**	**(13,587)**	**17,269**	**(13,335)**	**3,934**
					CONSOLIDATED 2024
Financial assets not derecognised due to repurchase and securities lending agreements:					
Trading assets[1]	7,407	(247)	–	–	–
Loan assets	11,870	(9,556)	–	–	–
Other financial assets not derecognised:					
Trading assets	831	–	–	–	–
Financial investments	305	–	–	–	–
Loan assets	369	(369)	369	(369)	–
Financial assets not derecognised due to securitisations:					
Loan assets[2,3]	17,741	(13,817)	17,872	(14,179)	3,693
Total financial assets not derecognised	38,523	(23,989)	18,241	(14,548)	3,693

There were no material transfers of financial assets for the Company during the financial years ended 31 March 2025 and 31 March 2024.

1 Includes $4,018 million (2024: $7,140 million) assets transferred under return for the loan of other securities where there is no associated liability on the Consolidated Entity's statement of financial position. The transferee has the right to sell or re-pledge the entire value of securities received.

2 Excludes $51,471 million (2024: $52,022 million) of securitised assets where the subsidiary holds all of the instruments issued by the SEs.

3 Carrying amount of associated liabilities represents the notes issued by SE and held by external investors.

Note 41

Audit and other services provided by PricewaterhouseCoopers

During the financial year, PricewaterhouseCoopers (PwC) and its network firms, the auditor of the Consolidated Entity and the Company, earned the following remuneration.

	CONSOLIDATED 2025 $'000	CONSOLIDATED 2024 $'000
Audit of the Group and controlled entities:		
PwC – Australia	**31,606**	29,088
Network firms of PwC Australia	**26,855**	25,215
Total audit services	**58,461**	54,303
Audit-related services:[1]		
PwC – Australia	**12,184**	10,806
Network firms of PwC Australia	**1,992**	1,070
Total audit-related services	**14,176**	11,876
Total audit and audit-related services	**72,637**	66,179
Taxation services:		
PwC – Australia	**79**	210
Network firms of PwC Australia	**525**	966
Total taxation services	**604**	1,176
Other services:		
PwC – Australia	**1,381**	1,179
Network firms of PwC Australia	**230**	44
Total other services	**1,611**	1,223
Total other non-audit services	**2,215**	2,399
Total remuneration paid to PwC for audit, audit-related and other non-audit services[2]	**74,852**	68,578

Use of PwC's services for engagements other than audit is restricted in accordance with the Consolidated Entity's *Audit and Assurance Independence Policy.*

[1] Audit related services consist of assurance and related services traditionally performed by the independent external auditor of the Consolidated Entity. While in addition to their statutory audit role, these services are consistent with the role of the external auditor and include statutory assurance and other assurance services such as engagements required under regulatory, prudential, legislative or financing programmes as well as reviews requested by regulators and other agreed upon procedures.

[2] An additional amount of $29,209 thousand in 2024 (2023: $24,472 thousand) was paid or payable to PwC as fees for audit services for Macquarie-managed funds that are not a part of the Consolidated Entity.

Note 42

Acquisitions and disposals of businesses and subsidiaries

Acquisitions of businesses and subsidiaries

The Consolidated Entity's acquisitions include businesses and subsidiaries acquired or consolidated as part of core business operations as well as businesses and subsidiaries held for investment and resale purposes.

Core business operations

During the current year and prior financial year, there were no material business or subsidiaries held for core business operations were acquired.

Held for investment purposes

During the year ended 31 March 2025, businesses and subsidiaries acquired or consolidated for a total transaction value of $1,535 million resulting in recognition of net assets of $824 million, non-controlling interests of $112 million and goodwill of $860 million in the Statement of Financial Position. The purchase price allocations for the business combinations are provisional as at 31 March 2025.

During the year ended 31 March 2024, businesses and subsidiaries acquired or consolidated for a total transaction value of $761 million resulting in recognition of net assets of $216 million, non-controlling interests of $14 million and goodwill of $559 million in the Statement of Financial Position.

Disposals of businesses and subsidiaries

The Consolidated Entity's disposal include businesses and subsidiaries which form part of core business operations as well as subsidiaries and businesses held for investment and resale purposes.

Core business operations

During the year ended 31 March 2025, core businesses were disposed of for a total transaction value of $2,038 million.

This loss of control resulted in the deconsolidation of net assets of $1,753 million and recognition of investment income (gain on interests in business and subsidiaries) of $285 million in the income statement.

During the year ended 31 March 2024, there were no material businesses or subsidiaries held for core business operations that were disposed of or deconsolidated.

Held for investment purposes

During the year ended 31 March 2025, businesses and subsidiaries disposed of or deconsolidated for a total transaction value of $441 million.

Loss of control resulted in deconsolidation of net assets of $597 million and non-controlling interest of $280 million, resulting in the recognition of investment income (gain on interests in business and subsidiaries) of $124 million in the Income Statement.

During the year ended 31 March 2024, businesses and subsidiaries disposed of or deconsolidated for a total transaction value of $1,833 million resulting in a deconsolidation of net assets of $2,240 million, non-controlling interest of $710 million and investment income (gain on interests in business and subsidiaries) of $303 million in the Income Statement.

Note 43

Events after the reporting date

On 21 April 2025, the Consolidated Entity entered into a sales agreement for the disposal of Macquarie Asset Management's North-American and European public investments business to a global financial services group. The assets and liabilities of these businesses are classified as held for sale as at 31 March 2025. The transaction is subject to regulatory approvals and customary closing conditions and is expected to close by the end of the calendar year 2025. There is not expected to be a material change in the Consolidated Entity's shareholders' equity as a result of the disposal.

Other than the above, there were no material events subsequent to 31 March 2025 and up until the authorisation of the financial statements for issue, that have not been disclosed elsewhere in the financial statements.

Note 44

Material accounting policies

(i) Principles of consolidation

Subsidiaries

The consolidated Financial Report reflects the financial performance and financial position of the Consolidated Entity. Subsidiaries are all those entities (including structured entities) which the Consolidated Entity controls. The Consolidated Entity controls an entity where it has:

- Power to direct the relevant activities of the entity,
- Exposure, or rights, to variable returns from its involvement with the entity, and
- The ability to utilise power to affect the entity's returns.

The determination of control is based on current facts and circumstances and is continuously assessed. The Consolidated Entity has power over an entity when it has existing substantive rights that provide it with the current ability to direct the entity's relevant activities, being those activities that significantly affect the entity's returns. The Consolidated Entity also considers the entity's purpose and design. If the Consolidated Entity determines that it has power over an entity, the Consolidated Entity then evaluates its exposure, or rights, to variable returns by considering the magnitude and variability associated with its economic interests.

All variable returns are considered in making that assessment including, but not limited to, returns from debt or equity investments, guarantees, liquidity arrangements, variable fees and certain derivative contracts. In certain instances, the Consolidated Entity may determine that it controls entities where it has less than half of the voting rights on the basis of its ability to direct the relevant activities of those entities.

Structured entities

Structured Entities (SEs) are those entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when voting rights relate to administrative tasks only and the relevant activities of the SE are directed by means of contractual arrangements. When assessing whether the Consolidated Entity controls (and therefore consolidates) a SE, judgement is required as to whether the Consolidated Entity has power over the relevant activities as well as exposure, or rights, to variable returns of the SE. Refer to Note 34 *Structured entities* for further information related to both consolidated and unconsolidated SE's.

Consolidation

The effects of all transactions between subsidiaries in the Consolidated Entity are eliminated in full. Unrealised losses are eliminated in the same manner as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests (NCI) in the results and equity of subsidiaries are shown separately in the consolidated Income statements, consolidated Statements of comprehensive income, consolidated Statements of changes in equity and consolidated Statements of financial position and are determined on the basis of the Consolidated Entity's present ownership interest in the entity.

Where control of an entity was obtained during the financial year, its results are included in the consolidated Income statements from the date on which control was obtained. Where control of an entity ceased during the financial year, its results are included for that part of the financial year during which control existed.

The Consolidated Entity determines the dates of obtaining control (i.e. acquisition date) and losing control (i.e. disposal date) of another entity based on an assessment of all pertinent facts and circumstances that affect the ability to direct the relevant activities and the extent of the Consolidated Entity's exposure to the entity's variable returns. Facts and circumstances that have the most impact include the contractual arrangements agreed with the counterparty, the manner in which those arrangements are expected to operate in practice and whether regulatory approval is required (including the nature of such approval). The acquisition or disposal date does not necessarily occur when the transaction is closed or finalised under law.

Subsidiaries held by the Company are carried in its financial statements at cost less accumulated impairment.

Interests in associates and joint ventures

Associates and joint ventures are entities over which the Consolidated Entity has significant influence or joint control. Existing ownership interests (including in substance ownership interests) in associates and joint ventures are accounted for under the equity method. In-substance ownership interests are interests that are substantially similar to an investee's ordinary shares. Equity accounting of the ownership interests is applied from the date that the Consolidated Entity has significant influence or joint control and ceases when the Consolidated Entity no longer has significant influence or joint control.

The Consolidated Entity determines the dates of obtaining or losing significant influence or joint control of another entity based on an assessment of all pertinent facts and circumstances that affect the ability to significantly influence the financial and operating policies or jointly control the relevant activities of that entity. Facts and circumstances that have the most impact include the contractual arrangements agreed with the counterparty, the manner in which those arrangements are expected to operate in practice, and whether regulatory approval is required (including the nature of such approval). Equity accounting is discontinued from the date when the investment ceases to be an associate or joint venture, which is when significant influence or joint control is lost.

Note 44

Material accounting policies continued

(i) Principles of consolidation continued

The equity method of accounting is applied in the consolidated Financial Report and requires the recognition of the Consolidated Entity's share of its associates' and joint ventures' post acquisition profits or loss (including impairments of the associates' or joint ventures' assets) in the consolidated income statement, and the share of the post-acquisition movements in other comprehensive income in the consolidated statement of comprehensive income. Dividends received by the Consolidated Entity from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Transactions reported directly in equity (besides those reflected in other comprehensive income) are accounted for by the Consolidated Entity in accordance with the substance of the transaction and whether the transaction is dilutive to the Consolidated Entity's ownership interest. Where the transaction is dilutive to the Consolidated Entity's interest in the associate or joint venture, the impact is recorded as part of the Consolidated Entity's share of profits or losses of associates and joint ventures.

Equity accounting of losses is restricted to the Consolidated Entity's interests in its associate or joint venture, unless the Consolidated Entity has an obligation or has made payment on behalf of the entity.

Long-term interests in an associate or joint venture, to which the equity method is not applied but in-substance form part of the net investment in the associate or joint venture, are accounted for in accordance with the Consolidated Entity's financial instruments' accounting policies, which includes accounting for expected credit losses, where applicable. Subsequently, the loss allocation and impairment requirements in AASB 128 *Investments in Associates and Joint Ventures* are applied to long-term interests.

Where necessary, accounting policies of associates and joint ventures have been changed to ensure consistency with those adopted by the Consolidated Entity.

At the end of each reporting period, management reviews the Consolidated Entity's investments in associates and joint ventures for indicators of impairment. Where there is an indicator of impairment, the carrying amount of the investment is tested for impairment by comparing its recoverable amount with its carrying value. Impairment losses and reversals are recognised in other impairment charges/reversals. A reversal of a previously recognised impairment loss is recognised only to the extent that the investment's carrying value does not exceed the carrying amount that would have been determined (including consideration of any equity accounted losses) if no impairment loss had been recognised.

Interests in associates and joint ventures are classified as held for sale when the Consolidated Entity determines that the interest will be recovered principally through a sale transaction rather than through continuing use. Equity accounting is suspended when the interest is classified as held for sale.

On disposal of an investment in an associate or a joint venture, the difference between the sales consideration, any retained interest and the carrying value is recognised as a gain or loss in investment income as part of net other operating income and charges, together with any gains and losses in OCI related to the associate or joint venture that are reclassified to the income statement.

Changes in ownership interests

When acquiring additional interests:

- of a financial asset (such that it becomes an associate, joint venture or subsidiary), or
- in an investment in an associate or joint venture (such that it becomes a subsidiary), where the underlying entity constitutes a business,

previously held interests are revalued to their fair value and any gain or loss is recognised in investment income as part of net other operating income and charges.

Similarly, when selling ownership interests of a subsidiary, where the underlying constitutes a business (such that control is lost), or an investment in an associate or joint venture (such that it becomes a financial asset), retained ownership interests are revalued to their fair value and any gain or loss is recognised in investment income as part of net other operating income and charges. Retained ownership interests are not revalued where the sale represents a contribution to an associate or joint venture, nor in certain circumstances where the partial sale of an investment in associate or joint venture, which continues to be equity accounted post the sale, is affected through a holding company subsidiary.

Increases and decreases in the Consolidated Entity's interest in a subsidiary (that do not result in the loss of control) are accounted for directly within equity. Increases in the Consolidated Entity's ownership interest in an associate or joint venture are accounted for as an increase in the carrying value of the interest in associate or joint venture. The difference between the reduction in the Consolidated Entity's interest in an associate or joint venture that remains an associate or joint venture and the fair value of consideration received is accounted for as a gain or loss within investment income as part of net other operating income and charges. A proportionate amount of associated OCI is reclassified to profit or loss, or reclassified within equity, as would otherwise be required on disposal of the underlying position.

(ii) Business combinations

Distinguishing between whether assets or a business is acquired involves judgement. The Consolidated Entity identifies a business where an acquired integrated set of activities and assets includes an economic resource (input) and a substantive process that together significantly contribute to the ability to provide goods or services to customers, generate investment income or other income from ordinary activities (outputs).

On a transaction-by-transaction basis, the Consolidated Entity may use a practical expedient to determine that an acquired set of activities is not a business. Under this assessment, the transaction is accounted for as an asset acquisition if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Note 44

Material accounting policies continued

(ii) Business combinations continued

Business combinations are accounted for using the acquisition method. The consideration exchanged is measured as the aggregate of the acquisition-date fair values of assets transferred, equity instruments issued, and liabilities incurred. Transaction costs of a business combination are recognised directly in the consolidated income statement as part of other operating expenses.

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured at fair value on the acquisition date. The Consolidated Entity elects, on a transaction-by-transaction basis, to initially measure NCI either at fair value or at the NCI's proportionate share of the fair values of the identifiable assets and liabilities.

Goodwill is measured as the excess of the consideration exchanged, recognised NCI, and the fair value of previously held equity interests over the fair value of the identifiable net assets of the business acquired and is recognised as part of Intangible assets in the Statements of financial position. Goodwill is subsequently measured at cost less accumulated impairment.

If the consideration is less than the Consolidated Entity's share of the fair value of the identifiable net assets of the business acquired, the difference is recognised in investment income as part of net other operating income and charges, but only after a reassessment of the identification and measurement of the net assets acquired.

Contingent consideration that is dependent on any subsequent event is measured at fair value with changes in its fair value recognised in investment income as part of other net other operating income and charges.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present values as at the acquisition date. The discount rate used is the Consolidated Entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(iii) Foreign currency translation

Functional and presentation currency

The functional currency of each entity (including branches) in the Consolidated Entity is determined as the currency of the primary economic environment in which the entity operates. The Consolidated Entity and the Company's financial statements are presented in Australian dollars (the presentation currency), which is also the Company's functional currency. A foreign operation is an entity or a group of entities whose activities are based or conducted in a country or currency other than that of the Consolidated Entity.

Transactions and balances

At initial recognition, a foreign currency transaction is translated into the entity's functional currency using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

- foreign currency monetary assets and liabilities are translated using the closing exchange rate,
- non-monetary items (including equity) measured in terms of historical cost in a foreign currency remain translated using the spot exchange rate at the date of the transaction, and
- non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date that the fair value was measured.

Foreign exchange gains and losses arising from the settlement or translation of monetary items, or non-monetary items measured at fair value, are recognised in net trading income with one exception being where such monetary items are designated as hedging instruments in qualifying cash flow hedge or net investment hedge relationships. In such circumstances, the foreign exchange gains and losses may be deferred in OCI to the extent the hedge is effective (refer to Note 35 *Hedge accounting* and Note 44(x) *Derivative instruments and hedging activities*).

Subsidiaries and other entities

The results and financial position of all entities that have a functional currency other than Australian dollars are translated into Australian dollars as follows:

- assets and liabilities for each Statements of financial position presented are translated at the closing exchange rate at the date of that Statements of financial position. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing exchange rate
- income and expenses for each income statement are translated at actual or average exchange rates at the dates of the transactions
- all resulting exchange differences are recognised in OCI within a separate component of reserves, being the foreign currency translation reserve (FCTR).

Foreign currency gains and losses on intragroup loans are recognised in the income statement except where the loan is in substance part of the Consolidated Entity's net investment in the foreign operation, in which case the foreign currency gains and losses are recognised in the Consolidated Entity's FCTR.

The exchange gains or losses recognised in FCTR are reclassified to the income statement or reattributed within equity as follows:

- if there is a disposal of a foreign operation, then the accumulated FCTR is reclassified from OCI to investment income within net other operating income and charges
- if there is a partial disposal of a foreign operation that is an associate or joint arrangement, without loss of significant influence or joint control, then a proportionate share of the accumulated FCTR is reclassified to investment income
- if there is a partial disposal of a foreign operation that is a subsidiary, without loss of control, then a proportionate share of the accumulated FCTR is reattributed within equity to non-controlling interests.

Note 44

Material accounting policies continued

(iv) Revenue and expense recognition

Net interest income

Interest income and interest expense (with the exception of borrowing costs that are capitalised on a qualifying asset which is not measured at fair value) are recognised using the effective interest rate (EIR) method for financial assets and financial liabilities carried at amortised cost, and debt financial assets classified as at fair value through OCI. The EIR method calculates the amortised cost of a financial instrument at a rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument to the gross carrying amount of the financial asset or liability. Fees and transaction costs that are integral to the lending arrangement are recognised in interest income or interest expense, as applicable, over the expected life (or, when appropriate, a shorter period) of the instrument in accordance with the EIR method.

When the estimates of payments or receipts of a financial instrument are subsequently revised, the carrying amount is adjusted to reflect the actual or revised cash flows with the remeasurement recognised as part of interest income (financial assets) or interest expense (financial liabilities).

The calculation of the EIR does not include ECL, except for financial assets which on initial recognition are classified as purchased or originated credit impaired (POCI). Interest income on these assets is determined using a credit adjusted EIR by discounting the estimated future cash receipts, including credit losses expected at initial recognition, through the expected life of the financial instrument to the net carrying amount of the financial asset.

Interest income on financial assets that are subsequently classified as credit-impaired (Stage III), is recognised by applying the EIR to the amortised cost carrying value (being the gross carrying value after deducting the ECL). Interest income and expense on financial assets and liabilities that are classified as FVTPL is accounted for on a contractual rate basis and included in Other Interest Income.

Fee and commission income

Revenue earned by the Consolidated Entity from its contracts with customers primarily consists of the following categories of fee and commission income:

Base and other asset management fees, and performance fees

The Consolidated Entity earns base and other asset management and performance fees for providing asset management services for listed and unlisted funds, managed accounts and co-investments arrangements. It has been determined that the provision of asset management services is typically a single performance obligation.

Base management fees are recognised over the life of the contract as the asset management services are provided. Any associated performance fees are deemed to be a variable component of the same asset management service and are recognised only when it is highly probable that the performance hurdles are met, and a significant reversal of cumulative fees recognised to date will not occur. Determining the amount and timing of performance fees to be recognised involves judgement, the use of estimates (including management estimates of underlying asset values) and consideration of a number of criteria relating to both the fund or managed account in which the asset(s) are held, as well as the underlying asset(s), such as:

- the extent to which performance fee liabilities have been accrued by the fund or managed account to date or consideration of the current valuation of the assets in relation to the related performance fee hurdle rate
- nature of remaining underlying fund or managed account's assets and potential downside valuation risks on each

and for performance fees determined on an asset realisation basis:

- the proportion of assets realised and returns on those assets
- time remaining until realisation of the assets and the fund's life or asset management services' timeline
- consideration of the ability to dispose of the asset, including any barriers to divest.

Mergers and acquisitions, advisory and underwriting fees

The Consolidated Entity earns revenue through its role as advisor on corporate transactions as well as through its role as manager and underwriter of equity and debt issuances. The revenue from these arrangements is recognised at a point in time, and when it has been established that the customer has received the benefit of the service such that the performance obligation is satisfied. For advisory services this is typically at the time of closing the transaction.

Where mandates contain rights to invoice upon reaching certain milestones, the Consolidated Entity assesses whether distinct services have been transferred at these milestones and accordingly recognises revenue. If not, the fee recognition will be deferred until such time as the performance obligation has been completed. Management of capital raisings and underwriting of debt or equity capital raisings are each considered distinct performance obligations that are typically satisfied on the allocation date of the underwritten securities.

Brokerage and other trading-related fee income

The Consolidated Entity enters into contracts with customers to act as an agent to buy and sell securities. The brokerage and commission income related to this service is recognised on trade date and is presented net of any rebates.

Other fee and commission income

Other fee and commission income includes fees earned on a range of banking products and services platforms, wealth services, credit cards, structuring fees, lending services, stock borrow and lending activities and income on structured products which is recognised when the performance obligation is satisfied which is when it has been established that the customer has received the benefit of the product or service.

Note 44

Material accounting policies continued

(iv) Revenue and expense recognition continued

Net operating lease income

Operating lease income is recognised on a straight-line basis over the lease term and is presented net of the related depreciation expense.

Net other operating income and charges

Net other operating income and charges includes investment income, and other income/charges.

Investment income includes gains and losses arising from subsequent changes in the fair values of equity and debt investment securities that are classified as FVTPL and dividends or distributions on these securities which represent the return on such investments.

Gains or losses on the change of control, joint control and/or significant influence and reclassifications to/from held for sale also forms part of investment income. Refer to Note 44(i) *Principles of consolidation* for details on the timing of recognition of such gains or losses.

Dividends

Dividends or distributions are recognised when the right to receive a dividend or distribution is established, it is probable the economic benefits associated with the dividend will flow to the Company and/or Consolidated Entity and the dividend can be measured reliably.

Dividends or distributions from HFT assets are recognised in net trading income, as investment income as part of net other operating income and charges for other financial assets measured at FVTPL or FVOCI, or as a reduction to the carrying amount of the investment in associates and joint ventures in the Consolidated Entity's Statements of financial position. Where associates and joint ventures are classified as held for sale, dividends or distributions are recognised within other income as part of net other operating income and charges.

In the Company's financial statements, judgement may be applied in determining whether distributions from subsidiaries, associates and joint ventures are to be recognised as dividend income or as a return of capital. Distributions that represent a return of capital are accounted for by the Company as a reduction to the cost of its investment and are otherwise recognised by the Company within investment income as part of net other operating income and charges when the recognition criteria are met.

Expenses

Expenses are recognised in the income statement as and when the provision of services is received.

(v) Segment reporting

Operating Segments are identified on the basis of internal reports to Senior Management about components of the Consolidated Entity that are regularly reviewed by Senior Management who have been identified as the chief operating decision makers, in order to allocate resources to the segment and to assess its performance. Information reported to Senior Management for the purposes of resource allocation and assessment of performance is specifically focused on core products and services offered, comprising five reportable segments as disclosed in Note 3 *Segment reporting*.

Information about products and services is based on the financial information used to produce the Consolidated Entity's financial statements. Information about geographical segments is based on the jurisdiction of the respective entities.

(vi) Taxation

The balance sheet approach to tax effect accounting has been adopted whereby the income tax expense for the financial year is the tax payable on the current year's taxable income adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

Deferred tax assets are recognised when temporary differences arise between the tax bases of assets and liabilities and their respective carrying amounts which give rise to a future tax benefit, or when a benefit arises due to unused tax losses. In both cases, deferred tax assets are recognised only to the extent that it is probable that future taxable amounts will be available against which to utilise those temporary differences or tax losses.

Deferred tax liabilities are recognised when such temporary differences give rise to taxable amounts that are payable in future periods. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered, or the liabilities are settled under enacted or substantively enacted tax law.

Deferred tax assets and deferred tax liabilities that would otherwise arise following the enactment or substantive enactment of Pillar Two Model Rules legislation are not recognised in the financial statements in accordance with a mandatory exception to the Accounting Standards, as disclosed in Note 1(iv) *New Australian Accounting Standards and amendments to Australian Accounting Standards and interpretation that are effective in the current financial year*.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and liabilities are offset when there is a legally enforceable right to offset and an intention to either settle on a net basis or realise the asset and settle the liability simultaneously.

Current and deferred taxes attributable to amounts recognised in OCI are also recognised in OCI.

The Consolidated Entity exercises judgement in determining whether deferred tax assets, particularly in relation to tax losses, are probable of recovery.

Note 44

Material accounting policies continued

(vi) Taxation continued

Factors considered include the ability to offset tax losses within the tax consolidated group in Australia or groups of entities in overseas jurisdictions, the nature of the tax loss, the length of time that tax losses are eligible for carry forward to offset against future taxable profits and whether future taxable profits are expected to be sufficient to allow recovery of deferred tax assets.

The Consolidated Entity undertakes transactions in the ordinary course of business where the income tax treatment requires the exercise of judgement. The Consolidated Entity estimates the amount expected to be paid to/(recovered from) tax authorities based on its understanding and interpretation of the law. Uncertain tax positions are presented as current or deferred tax assets or liabilities with reference to the nature of the underlying uncertainty.

Tax consolidation

The Consolidated Entity's Australian tax liabilities are determined according to tax consolidation legislation.

The Company, together with all eligible Australian resident wholly owned subsidiaries, comprise a tax consolidated group (TCG) with the Company as the head entity. As a consequence, the relevant subsidiaries are not liable to make income tax payments and do not recognise any current tax balances or any deferred tax assets arising from unused tax losses or credits.

The TCG recognises its current and deferred taxes using the 'group allocation approach' detailed in AASB UIG Interpretation 1052 *Tax Consolidation Accounting* (AASB Interpretation 1052). Under the terms and conditions of a tax funding agreement, the Company charges each subsidiary for all current tax liabilities incurred in respect of their activities and reimburses each subsidiary for any tax assets arising from unused tax losses.

Should the Company be in default of its tax payment obligations, or a default is probable, the current tax balances of its subsidiaries will be determined in accordance with the terms and conditions of a tax sharing agreement between the Company and entities in the TCG.

In offshore jurisdictions, Macquarie's approach to Tax Consolidation follows the legislation applicable in each jurisdiction. Where applicable, joint filing obligations are performed for tax consolidated groups, with the head entity responsible for settling obligations with Revenue Authorities. Subsidiaries that are part of offshore TCGs are however still liable for income tax and therefore recognise current and deferred tax balances.

Goods and Services tax (GST)

Where an amount of GST (or other value added tax) is not recoverable from global tax authorities, it is either capitalised to the Statements of financial position as part of the cost of the related asset or is recognised as part of other operating expenses.

Where GST (or other value added tax) is recoverable from or payable to global tax authorities, the net amount is recorded as a separate asset or liability in the Statements of financial position.

(vii) Financial instruments

Recognition of financial instruments

Financial instruments are recognised when the Consolidated Entity becomes a party to the contractual provisions of the instrument.

A financial instrument is initially recognised at fair value and is adjusted (in the case of instruments not classified at FVTPL) for transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial instrument, and fees that are an integral part of the effective interest rate. Transaction costs and fees paid or received relating to financial instruments carried at FVTPL are recorded in the income statement.

The best evidence of a financial instrument's fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only inputs from observable markets (or when inputs from unobservable markets are insignificant). Where such alternative evidence exists, the Consolidated Entity recognises profit or loss immediately when the instrument is recognised (day 1 profit or loss). When significant unobservable inputs are used to determine fair value, the day 1 profit or loss is deferred and is recognised in net trading income over the life of the transaction or when the inputs become observable.

Financial instruments arising in multiple transactions are accounted for as a single arrangement if this best reflects the substance of the arrangement. Factors considered in this assessment include whether the financial instruments:

- are entered into at the same time and in contemplation of one another
- have the same counterparty
- relate to the same risk
- there is no apparent economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction, or
- whether each of the financial instruments has its own terms and conditions and may be transferred or settled separately.

Note 44

Material accounting policies continued

(vii) Financial instruments continued

Derecognition of financial instruments

Financial assets

Financial assets are derecognised from the Statements of financial position when:

- the contractual rights to cash flows have expired, or
- the Consolidated Entity has transferred the financial asset and has transferred substantially all the risks and rewards of ownership of the financial asset.

A financial asset is transferred if, and only if, the Consolidated Entity:

(i) transfers the contractual rights to receive the cash flows of the financial asset, or

(ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement where the Consolidated Entity is:

  - not obligated to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset
  - prohibited from selling or pledging the original asset other than as security to the eventual recipients, and
  - obligated to remit any cash flows it collects on behalf of the eventual recipients without material delay, generally considered to be within 3 months.

In transactions where the Consolidated Entity neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. Any interest in the transferred and derecognised financial asset that is created or retained by the Consolidated Entity is recognised as a separate asset or liability.

In transfers where control over the asset is retained, the Consolidated Entity continues to recognise the asset to the extent of its continuing involvement as determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities

Financial liabilities are derecognised from the Statements of financial position when the Consolidated Entity's obligation has been discharged, cancelled or has expired.

Gains and losses on the derecognition of debt financial assets and liabilities

Gains and losses arising from the derecognition of debt financial assets or financial liabilities are recognised in:

- net trading income in respect of trading-related settlement and receivable balances that are subsequently measured at amortised cost
- investment income within net other operating income and charges in respect of financial investments and loans to associates
- other income and charges as part of net other operating income and charges for all other debt financial assets and financial liabilities.

Financial guarantee contracts issued

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under AASB 9, and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of AASB 15 *Revenue from Contracts with Customers*.

Modification of financial instruments

A financial instrument is modified when its original contractual cash flows are renegotiated or modified.

A financial asset that is renegotiated or modified is derecognised if the rights to receive cash flows from the existing agreement have expired, either through replacement by a new agreement on substantially different terms or the existing terms are substantially modified. To determine whether the existing terms are substantially modified, both qualitative and quantitative factors may be considered. Qualitative factors would, for example, include a consideration of whether and to what extent the modification is driven by financial difficulties of the borrower or a commercial renegotiation to market rates, or whether the terms are modified such that the instrument no longer meets the SPPI requirements.

A financial liability that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the existing terms are modified such that the modified financial liability is a substantially different financial instrument. The assessment on whether the terms are substantially different involves a quantitative analysis, with qualitative factors considered in certain circumstances. Where the modification results in derecognition of the original financial instrument, the new financial instrument is recorded initially at its fair value and the resulting difference is recognised in the income statement in accordance with the nature of the financial instrument as described in the derecognition of financial instruments policy.

For financial instruments measured at amortised cost, and for debt financial assets measured at FVOCI, when the modification does not result in derecognition, the gross carrying amount of the financial instrument is recalculated and a modification gain or loss is recognised in the income statement. The gain or loss is measured as the adjustment of the gross carrying amount to reflect the renegotiated or modified contractual cash flows, discounted at the instrument's original EIR.

Classification and subsequent measurement

Financial assets

Financial assets are classified based on the business model within which the asset is held and the characteristics of the financial asset's contractual cash flows.

Note 44

Material accounting policies continued

(vii) Financial instruments continued

Business model assessment

The Consolidated Entity uses judgement in determining the business model at the level that reflects how groups of financial assets are managed together to achieve a particular business objective. In determining the business model, all relevant evidence that is available at the date of the assessment is used including:

- how the performance of the business model and the financial assets held within that business model is evaluated and reported to the Consolidated Entity's Senior Management personnel and senior executives
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected), and
- frequency, value, timing of and reasons for sales of assets in the portfolio and expectations about future sales activity.

Solely payment of principal and interest (SPPI)

The contractual cash flows of a financial asset are assessed to determine whether these represent SPPI on the principal amount outstanding, consistent with a basic lending arrangement. This includes an assessment of whether the cash flows primarily reflect consideration for the time value of money and credit risk of the principal outstanding. Interest may also include consideration for other basic lending risks and costs including a reasonable profit margin.

In assessing whether the contractual cash flows are SPPI, the Consolidated Entity considers the contractual terms of the instrument. This includes assessing whether the financial asset contains contractual terms that could change the timing or amount of contractual cash flows such that it would not meet the SPPI criteria. Such an assessment would consider, for example, the impact of any of the following features:

- Contingent events that could change the amount and/or timing of cash flows;
- Leverage features that could change the economic characteristics of principal and interest cash flows introducing volatility inconsistent with a basic lending arrangement;
- Prepayment features, to determine whether the amount due on early repayment substantially represents unpaid amounts of principal and accrued interest which may include reasonable compensation for the early termination of the contract;
- Terms that limit the Consolidated Entity's claim to cash flows from specified assets - for example, through non-recourse or limited recourse arrangements - in a way that is inconsistent with a basic lending arrangement.

Amortised cost

A financial asset is subsequently measured at amortised cost using the EIR method where:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- the contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI requirements, and
- the financial asset has not been classified as DFVTPL.

Interest income is determined in accordance with the EIR method and recognised as part of interest and similar income.

Fair value through other comprehensive income

A financial asset is subsequently measured at FVOCI if the following conditions are met:

- the financial asset is held within a business model whose objective is to both collect contractual cash flows and to sell the financial assets
- the contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI requirements
- the financial asset has not been classified as DFVTPL.

Subsequent changes in fair value are recognised in OCI, with the exception of interest (which is recognised as part of interest income), ECL (which is recognised in credit and other impairment charges/reversal) and foreign exchange gains and losses (which are recognised in net trading income) and is net of any related hedge accounting adjustments. When debt financial assets classified as at FVOCI are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to investment income in respect of debt financial investments and loans to associates, or to other income and charges as part of net other operating income and charges for all other debt financial assets.

Fair value through profit or loss

Financial assets that do not meet the criteria to be measured at amortised cost or FVOCI are subsequently measured at FVTPL.

For the purposes of the Consolidated Entity's financial statements, the FVTPL classification consists of the following:

- financial assets that are held for active trading or held as part of a portfolio that is managed together with short-term profit or position taking (held for trading (HFT)). This classification includes all derivative financial assets, except those that are designated as hedging instruments in qualifying hedge relationships and are classified as FVTPL
- financial assets in a business model whose objective is achieved by managing the financial assets on a fair value basis in order to realise gains and losses as opposed to a business model in which the objective is to collect contractual cash flows (FVTPL)
- financial assets that fail the SPPI test (FVTPL), and
- financial assets that have been designated to be measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch (DFVTPL).

Note 44

Material accounting policies continued

(vii) Financial instruments continued

Equity financial assets that are not held for active trading are measured at FVTPL. Subsequent changes in fair value are recognised as investment income within net other operating income and charges.

Subsequent changes in the fair value of debt financial assets measured at FVTPL are presented as follows:

- changes in the fair value of financial assets that are classified as HFT and financial assets managed on a fair value basis are recognised in net trading income
- changes in the fair value of debt financial investments and loans to associates and joint ventures that fail SPPI are recognised in investment income as part of net other operating income and charges
- changes in the fair value of all other FVTPL and DFVTPL financial assets are recognised as part of other income and charges within net other operating income and charges.

Where applicable, the interest component of these financial assets is recognised as interest and similar income.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost, unless they are either HFT, or have been designated to be measured at FVTPL (DFVTPL). A financial liability may be DFVTPL if:

- such a designation eliminates or significantly reduces an accounting mismatch that would otherwise have arisen
- a group of financial liabilities, or financial assets and financial liabilities, is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- the liability contains embedded derivatives which must otherwise be separated and carried at fair value.

All derivative financial liabilities are classified as HFT, except those that are designated as hedging instruments in qualifying hedge relationships and are classified as FVTPL. Refer to Note 44(x) *Derivative instruments and hedging activities* for the detailed hedge accounting policy.

Changes in the fair value of financial liabilities that are not classified as HFT, with the exception of changes relating to the Consolidated Entity's own credit risk, are recognised in net trading income, or other income and charges as part of net other operating income and charges, depending on the nature of the underlying transaction. Changes in fair value relating to changes in the Consolidated Entity's own credit risk are presented separately in OCI and are not subsequently reclassified to profit or loss.

Where applicable, the interest component of these financial liabilities is recognised as interest and similar expense.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the Statements of financial position, when there is a current legally enforceable right to offset the amounts and there is an intention to settle on a net basis or realise the financial asset and settle the financial liability simultaneously.

(viii) Cash collateral on securities borrowed and lent and repurchase and reverse repurchase agreements

As part of its trading, financing and liquidity management activities, the Consolidated Entity borrows and lends securities, commodities and other assets (the underlying) on a collateralised basis. The underlying that is subject to the arrangement is not derecognised from the Statements of financial position of the relevant parties, as the risks and rewards of ownership remain with the initial holder.

These transactions include:

- reverse repurchase transactions, where the Consolidated Entity purchases an underlying under an agreement to resell
- repurchase transactions, where the Consolidated Entity sells an underlying under an agreement to repurchase.

The Consolidated Entity continually reviews the fair values of the underlying on which the above transactions are based and where appropriate, requests or provides additional collateral to support the transactions, in accordance with the terms of the respective agreements.

Reverse repurchase agreements are subsequently measured as follows by the Consolidated Entity:

- agreements that are collateralised with commodities are measured at amortised cost when they are held in a business model to collect contractual cash flows and AASB 9's SPPI criteria are met
- agreements that are held within the Consolidated Entity's cash and liquid assets portfolio are measured at FVOCI as they are held in a business model to both collect contractual cash flows and with the intention to sell
- all other reverse repurchase agreements are measured at FVTPL to reflect the Consolidated Entity's business model to realise fair value gains and losses as opposed to a business model in which the objective is to collect contractual cash flows.

Also refer to Note 37 *Measurement categories of financial instruments*.

Repurchase agreements are subsequently measured at amortised cost, except where they are DFVTPL to eliminate an accounting mismatch created by managing the agreements together with the associated reverse repurchase agreements that are measured at FVTPL.

(ix) Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the Consolidated Entity acquires or incurs principally for the purpose of selling or repurchasing in the near term, or held as part of a portfolio that is managed together with short-term profit or position taking.

Note 44

Material accounting policies continued

(ix) Trading assets and liabilities continued

The Consolidated Entity uses trade date accounting when recording regular way purchases and sales of financial assets and liabilities that are classified as HFT. At the date a purchase transaction is entered into (trade date), the Consolidated Entity recognises the resulting financial asset or liability and any subsequent unrealised gain or loss arising from revaluing that contract to fair value as part of net trading income, except for interest income on HFT debt financial assets which is recognised in interest income. Refer to Note 44(vii) *Financial instruments*.

Trading assets (long positions) comprise financial instruments such as debt and equity securities, bank bills, treasury notes, and loans, commodity contracts and commodities purchased with the intent of being actively traded either individually or as part of a portfolio.

Trading liabilities comprise obligations to deliver assets (short positions) across the same trading categories and which the Consolidated Entity intends to actively trade.

Commodity inventory is recognised when the Consolidated Entity controls the commodity, the determination of which includes consideration of price risk. Commodity inventory is measured at fair value less costs to sell in accordance with the broker-trader exemption, on the basis that such assets are held with the purpose of selling in the near future and generating a profit from fluctuations in price or broker traders' margin. Commodity contracts reflect agreements for the purchase and sale of commodities where, despite the Consolidated Entity having control over the commodity, the Consolidated Entity has no intention to exercise its control, and where the expected outcome is that the commodity will be sold back to the initial holder or sold on to the intended acquirer (in the case of intermediary trades). Such contracts are measured at FVTPL.

Emission certificates and similar contracts that are held for sale in the ordinary course of business are presented as commodities within trading assets and liabilities and are measured at fair value less costs to sell in accordance with the broker-trader exemption (on the basis that such assets are held with the purpose of selling in the near future and generating a profit from fluctuations in price or broker traders' margin).

When the Consolidated Entity becomes party to a sale contract, and the derecognition criteria are met (refer to Note 44(vii) *Financial instruments*), it derecognises the trading asset or liability and recognises a trade receivable or trade payable from trade date until settlement date.

(x) Derivative instruments and hedging activities

Derivative instruments entered into by the Consolidated Entity include futures, forwards and forward rate agreements, swaps and options in the interest rate, foreign exchange, commodity, credit and equity markets. These derivative instruments are principally used by the Consolidated Entity for the purposes of risk management of existing assets and liabilities and forecast transactions and are also entered into for client trading purposes.

Derivatives are recognised in the Statements of financial position as an asset where they have a positive fair value at the reporting date or as a liability where they have a negative fair value at the reporting date.

Derivatives that may have both positive or negative values must meet both the asset and liability derecognition tests before being derecognised from the Statements of financial position.

Fair values are obtained from quoted prices in active markets where available, or valuation techniques including discounted cash flow models and option pricing models, as appropriate. The accounting for derivatives is subject to the application of the day 1 profit or loss policy as described in Note 44(vii) *Financial instruments*).

The Consolidated Entity applies trade date accounting to the recognition and derecognition of derivative financial instruments.

Hedge accounting

As part of its ongoing business, the Consolidated Entity is exposed to several financial risks, principally that of interest rate, foreign exchange and commodity price risks (collectively referred to as the hedged risk or exposure). The Consolidated Entity has limited appetite for such risks and has policies and practices in place to ensure that these risks are effectively managed. The Consolidated Entity mitigates these risks through the use of derivative financial instruments, and, in the case of foreign exchange risk, foreign-denominated debt issued (collectively referred to as hedging instruments). The Consolidated Entity applies hedge accounting to manage accounting mismatches arising from the difference in measurement bases or location of the gains and losses recognised between the exposure that is being hedged and the hedging instrument. Refer to details provided in the table on the following page.

Note 44

Material accounting policies continued

(x) Derivative instruments and hedging activities continued

	Fair value hedge	Cash flow hedge	Net investment hedge
Nature of hedge	The hedge of the change in fair value of a recognised asset or liability.	The hedge of the change in cash flows of a financial asset or liability or a highly probable forecast transaction.	The hedge of changes in the Consolidated Entity's foreign denominated net assets for changes in foreign currency rates.
Nature of material hedged risks	• Interest rate risk • Foreign exchange risk • Commodity price risk.	• Interest rate risk[1] • Foreign exchange risk • Commodity price risk.	• Foreign exchange risk.
Material hedged items	• Fixed interest rate financial assets and liabilities • Property, plant and equipment.	• Floating interest rate financial assets or liabilities • Highly probable forecast floating interest rate financial assets and liabilities • Highly probable forecast foreign currency payments and receipts • Highly probable forecast commodity sales • Foreign currency denominated interest bearing financial liabilities.	• Net investment in foreign operations.
Material hedging instruments	• Interest rate swaps • Basis swaps • Cross currency swaps • Commodity derivatives • Foreign exchange forwards.	• Interest rate swaps and options • Cross currency swaps • Foreign currency denominated borrowings • Commodity derivatives.	• Foreign exchange contracts • Foreign currency denominated issued debt.
Designation and documentation	At inception of the hedge relationship, documentation is required of the risk management objective and strategy for the hedge, the hedging instrument, hedged item, hedged risk and how the hedge relationship will meet the hedge effectiveness requirements.		
Hedge effectiveness method	All hedge relationships are assessed for prospective hedge effectiveness both at the inception of the hedge, at each reporting period and following any significant change in circumstances affecting the hedge, by demonstrating that: • an economic relationship exists between the hedged item and the hedging instrument • credit risk does not dominate the changes in value of either the hedged item or the hedging instrument • the hedge ratio is reflective of the Consolidated Entity's risk management approach. The hedge effectiveness assessment is performed by a combination of qualitative and, where applicable, quantitative assessments. Changes in the hedge ratio, or rebalancing, may be required to adjust the designated quantities of either the hedged item or the hedging instrument.		
Accounting treatment for the hedging instrument	Fair value through the income statement, aligned to the presentation of the hedged item.	Fair value through the cash flow hedge reserve as part of OCI, and then recognised in the income statement at the time at which the hedged item affects the income statement for the hedged risk.	Foreign exchange gains and losses are recognised in the Net Investment Hedge Reserve (NIHR), a separate component of FCTR in OCI.
Accounting treatment for the hedged item	Adjustments to the carrying value are recognised in the income statement for changes in fair value attributable to the hedged risk.	Accounted for on an amortised cost basis, FVOCI, or under other accounting standards as appropriate (such as executory contracts for the sale of commodities).	Foreign exchange gains and losses are recognised in the Consolidated Entity's foreign currency translation reserve as part of OCI.

[1] The Company designates selected hedge accounting relationships that only meet the qualifying criteria for hedge accounting in the Company financial statements (but not the Consolidated Entity).

Note 44

Material accounting policies continued

(x) Derivative instruments and hedging activities continued

	Fair value hedge	Cash flow hedge	Net investment hedge
Accounting treatment for hedge ineffectiveness	Recognised as part of net trading income in the income statement to the extent that changes in fair value of the hedged item attributable to the hedged risk are not offset by changes in fair value of the hedging instrument.	Recognised as part of net trading income in the income statement to the extent to which changes in the fair value of the hedging instrument exceed, in absolute terms, the change in the fair value of the hedged item.	
Accounting treatment if the hedge relationship is discontinued	Where the hedged item still exists and is a financial instrument carried at amortised cost, adjustments to the hedged item are amortised to the income statement on an EIR basis. For non-financial items, the adjustment continues as part of the carrying value of the asset up until it is recovered through use or sale, or the item becomes impaired.	The gain or loss remains in the cash flow hedge reserve to the extent that the hedged cash flows are still expected to take place and subsequently recognised in the income statement at the time at which the hedged item affects the income statement for the hedged risk. Where the hedged cash flows are no longer expected to take place, the gain or loss in the cash flow hedge reserve is recognised immediately in the income statement.	The exchange gains or losses recognised in the NIHR within FCTR are reclassified to the income statement or reattributed within equity as follows: • if the hedge is discontinued due to a disposal of the hedged foreign operation, then the accumulated NIHR is reclassified from OCI to investment income within net other operating income and charges • if there is a partial disposal of a foreign operation that is an associate or joint arrangement, without loss of significant influence or joint control, then a proportionate share of the accumulated NIHR is reclassified to investment income • if there is a partial disposal of a foreign operation that is a subsidiary, without loss of control, then a proportionate share of the accumulated NIHR is reattributed within equity to non-controlling interests.
Other accounting policies	Certain components of the hedging instrument such as the forward element of a forward contract, the time value of an option and the foreign currency basis spread (being the liquidity charge for exchanging different currencies), may be excluded from the hedge designation. These elements are deferred in the cost of hedging reserve and released to the income statement either at the time at which the hedged exposure affects the income statement, or on a systematic basis over the life of the hedge.		

Note 44

Material accounting policies continued

(xi) Margin money and settlement assets and liabilities

Margin money and settlement assets and liabilities includes trade settlement balances, margin monies and balances with clearing houses. Margin monies primarily represent deposits placed with clearing houses in relation to futures trading and other derivatives transactions. The balance includes both initial and variation margin which varies based on trading activities. The balance also includes client margin calls which are funded by the Consolidated Entity. Settlement balances represent outstanding trade timing balances as at the reporting date due to the timing difference between trade and settlement date. Balances are carried at amortised cost except for certain margin money and certain settlement balances which are carried at FVTPL.

(xii) Financial investments

Investment securities in this category include investments in equity or debt securities which are not actively traded by the Consolidated Entity.

Debt investment securities in this category comprise liquid asset holdings, bonds, money markets and other debt securities.

Financial investments are initially recognised on trade date at fair value (adjusted for directly attributable transaction costs for debt investments subsequently measured at amortised cost or FVOCI) and subsequently measured in accordance with Note 44(vii) *Financial instruments*).

(xiii) Loan assets

This category includes loans that are not held for trading purposes and typically includes the Consolidated Entity's lending activities to its customers.

Loan assets are initially recognised on settlement date at fair value (adjusted for directly attributable transaction costs for loan assets subsequently measured at amortised cost or FVOCI) and subsequently measured in accordance with Note 44(vii) *Financial instruments*).

Certain finance lease receivables are also presented as part of asset financing within loan assets. For the detailed policy on financial instruments, including treatment of derecognition, refer to Note 44(vii) *Financial instruments*).

(xiv) Property, plant and equipment and right-of-use assets

Property, plant and equipment are stated at historical cost (which includes, where applicable, directly attributable borrowing costs and expenditure directly attributable to the acquisition of the asset) less, accumulated depreciation and, where applicable, accumulated impairment losses.

Right-of-use (ROU) assets are initially measured at cost and comprise of the amount that corresponds to the amount recognised for the lease liability on initial recognition together with any lease payments made at or before the commencement date (less any lease incentives received), initial direct costs and restoration-related costs. Subsequently, it is stated at historical cost less accumulated depreciation and, where applicable, impairment losses, and adjusted for remeasurement of lease liabilities.

Property, plant and equipment and right-of-use assets includes assets leased out under operating leases.

Depreciation is the process to allocate the difference between cost and residual values over the estimated useful life. Where the residual value exceeds the carrying value, no depreciation is charged. Depreciation is calculated on the following bases:

- diminishing balance method for aviation assets
- unit of production method for certain infrastructure assets
- straight-line basis for all other assets.

A ROU asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Annual depreciation rates are summarised below:

Property, plant and equipment	Depreciation rates
Buildings	2.5 to 3.3%
Furniture, fittings and leasehold improvements[1]	10 to 20%
Infrastructure assets and equipment[2]	2.5 to 33%
Aviation	4%
Meters	5 to 15%
Telecommunications	24%
Other operating lease assets	2.5 to 22%

Useful lives, residual values and depreciation methods are reviewed annually and reassessed in the light of commercial and technological developments. Gains and losses on disposal are determined by comparing the proceeds with the asset's carrying amount and are recognised in other income as part of net other operating income and charges.

The depreciation charge is recognised as part of:

- net operating lease income for assets given on operating lease
- occupancy expenses for corporate buildings, furniture, fittings and leasehold improvements
- non-salary technology expenses for technology assets
- net trading income for depreciation relating to leased assets held by trading-related businesses for the purpose of facilitating trading activities
- other operating expenses for all other assets.

The Consolidated Entity does not recognise a ROU asset for short-term or low value leases, instead the expense is recognised over the lease term as appropriate as part of operating expenses.

[1] Where lease terms are less than five years, leasehold improvements are depreciated over the remaining lease term.
[2] Includes infrastructure assets, for which depreciation is calculated on a unit of production basis.

Note 44

Material accounting policies continued

(xv) Goodwill and other identifiable intangible assets

Goodwill

Goodwill is measured as the excess of consideration, recognised NCI, and the fair value of previously held equity interests over the fair value of the identifiable net assets of the business acquired. Goodwill arising from business combinations is included in intangible assets.

Other acquired identifiable intangible assets

At the time at which the Consolidated Entity determines that it has acquired a business, the Consolidated Entity identifies intangible assets that are required to be initially recognised at fair value. An intangible asset is considered to have an indefinite useful life where it is expected to contribute to the Consolidated Entity's net cash inflows indefinitely.

The following intangible assets are typically identified and recognised by the Consolidated Entity:

- licences and trading rights: generally carried at cost less accumulated impairment loss. Where no contractual or legal limitation exists, these assets are not amortised because they are considered to have an indefinite useful life
- management rights: carried at cost less accumulated amortisation and accumulated impairment loss. Certain management right intangible assets, which have indefinite useful lives as the underlying income stream is related to the management of funds that have no defined end date and are expected to operate perpetually, are not amortised. For management rights that have a finite useful life, amortisation is calculated using the straight-line method to allocate the cost of management rights over the estimated useful life usually being a period not exceeding 20 years
- customer and servicing contracts acquired with a finite useful life: carried at cost less accumulated amortisation and accumulated impairment loss. Amortisation is calculated over the period for which the customer relationship is expected to exist
- customer and servicing contracts with an indefinite useful life: carried at cost less accumulated impairment loss.

Amortisation of intangible assets held by trading related business is recorded in net trading income and for others is recognised in other operating expenses. Impairments (reversal of impairments) of intangible assets are recognised in other impairment charges/reversal.

Emission certificates and similar contracts that are not held for sale in the ordinary course of business are classified as intangible assets and measured at cost less accumulated impairment.

Development expenditure

Development expenditure is recognised as an asset from the date the Consolidated Entity can demonstrate that the project is technically feasible, it is probable the asset will generate future economic benefits, the Consolidated Entity has the intention and ability to complete the development of the project or sell it, and the costs incurred can be reliably measured. All other costs are expensed in the period incurred.

Software

Certain internal and external costs directly incurred in acquiring and developing certain computer software programmes are capitalised and amortised over the estimated useful life, usually a period of three to seven years on a straight-line basis. The capitalised software asset is subject to impairment testing on an annual basis.

Costs incurred on the maintenance of software is expensed as incurred and recognised in other operating expenses.

(xvi) Deposits

Deposits include customer deposits, business banking and home loan related deposits, deposits from financial institutions and other balances such as client monies. These deposits are initially recognised at fair value less directly attributable transaction costs and are subsequently measured at amortised cost. The Consolidated Entity presents assets and liabilities in the statement of financial position in the order of liquidity, with reference to contractual maturity. Some deposits include repayment features subject to notice and for the purposes of presentation and disclosure, are treated as if notice were given immediately. This generally does not reflect the behaviour of the expected cash flows as evidenced by the Consolidated Entity's deposit retention history.

(xvii) Insurance contracts

Insurance contracts are contracts whereby the Consolidated Entity assumes significant insurance risk from a policyholder and agrees to compensate the policyholder if a specified uncertain future occurrence negatively impacts the policyholder. Insurance contracts issued by the Consolidated Entity include Pension Risk Transfer reinsurance contracts. The Consolidated Entity does not issue contracts with direct participation features. In the ordinary course of business, the Consolidated Entity employs retrocession strategies to manage its risk exposure to longevity risk which are accounted for as reinsurance contracts held.

All references to insurance contracts in these consolidated financial statements apply to insurance contracts issued and reinsurance contracts held, unless specifically stated otherwise.

The Consolidated Entity applies the General Measurement Model for the measurement of insurance contracts. Accordingly, the Consolidated entity measures insurance contracts utilising discounted probability-weighted current estimates of future cash flows, alongside a risk adjustment for non-financial risk, and a contractual service margin that reflects the anticipated profit from the fulfilment of these contracts.

Note 44

Material accounting policies continued

(xvii) Insurance contracts continued

Measurement - Fulfilment cash flows

The Consolidated Entity employs the concept of a contract boundary to ascertain which cash flows should be included in the measurement of groups of insurance contracts. Fulfilment cash flows (FCF) within a contract boundary encompass the following components:

- estimates of future cash flows that are directly attributable to a portfolio of insurance contracts, for example premiums, claims, and relevant expenses
- an adjustment to account for the time value of money and the financial risks associated with the future cash flows, to the extent that these are not already reflected in the estimates of future cash flows
- a risk adjustment for non-financial risk, which is estimated separately.

The discount rates utilised reflect the characteristics of the cash flows associated with groups of insurance contracts, encompassing the timing, currency, and liquidity of the cash flows.

Measurement - Insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the cost incurred by the Consolidated Entity of selling, underwriting, and starting a group of insurance contracts issued or expected to be issued (for example advisory, onboarding, or staff related expenses) that are directly attributable to the portfolio of insurance contracts. Prior to the recognition of a group of insurance contracts, the Consolidated Entity may incur (or recognise a liability for) directly attributable insurance acquisition cash flows associated with originating insurance contracts. Such costs are recognised as insurance acquisition cash flow assets as part of other assets. The Consolidated Entity allocates insurance acquisition cash flows to groups of insurance contracts on a systematic and rational basis. These insurance acquisition cash flow assets are subsequently derecognised upon the recognition of the respective groups of insurance contracts, with the insurance acquisition cash flows being incorporated into the FCF.

Insurance acquisition cash flow assets are assessed for recoverability when there are indicators of impairment.

(xviii) Other assets and liabilities

Contract assets, contract liabilities and capitalised expenses

Where the Consolidated Entity provides services to clients and the consideration is unconditional, a receivable is recognised. Where the consideration is conditional on something other than the passage of time, such as performance fees, these are recorded as contract assets. Both receivables and contract assets are assessed for impairment in accordance with AASB 9. Commodity-related receivables are accounted for in accordance with Note 44 (vii) *Financial Instruments*.

The Consolidated Entity, as permitted by AASB 15, has applied the practical expedient that allows for costs incurred to obtain a contract to be expensed as incurred where the amortisation period for any asset recognised would be less than 12 months. The Consolidated Entity also applies the practical expedient not to adjust consideration for the effects of a significant financing component, where the period between transferring a good or service and when the customer pays for that good or service is expected to be one year or less.

Contract liabilities relate to prepayments received from customers where the Consolidated Entity is yet to satisfy its performance obligation.

Non-current assets and liabilities of disposal groups classified as held for sale

This category includes non-current assets and disposal groups (groups of assets and directly associated liabilities to be disposed in a single transaction) for which the carrying amount will be recovered principally through a sale or distribution transaction rather than continuing use. This line includes assets and liabilities of businesses and subsidiaries, investments in associates and joint ventures, other assets and liabilities, and subsidiaries that are acquired exclusively with a view to sell or distribute.

These non-current assets and disposal groups are classified as held for sale when they are available for immediate sale in their present condition, the sale or distribution is highly probable and is expected to occur within 12 months. Where there is a planned partial disposal of a subsidiary resulting in loss of control, but the Consolidated Entity retains an interest in the disposed subsidiary, the entire disposal group is classified as held for sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Equity accounting, depreciation and amortisation is suspended when the held for sale criteria are met.

Note 44

Material accounting policies continued

(xviii) Other assets and liabilities continued

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell and is recognised in other impairment charges/reversal. A gain is recognised for any subsequent increase in fair value less costs to sell, limited to the cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale is recognised at the date of sale.

Financial assets and liabilities that are classified as held for sale are measured in accordance with the Consolidated Entity’s financial instruments’ policies.

Provisions, contingent liabilities and commitments

A provision is a liability of uncertain timing or amount. Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present legal or constructive obligation that has arisen as a result of past events and for which a reliable estimate can be made.

Contingent liabilities are either possible obligations whose existence will be confirmed only by uncertain future events not wholly within the control of the Consolidated Entity, or they are present obligations where an outflow of economic resources is not probable or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed unless an outflow of economic resources is remote. Contingent liabilities generally include performance-related contingencies and certain types of letters of credit and guarantees.

Credit related commitments are the Consolidated Entity's firm commitments to provide credit facilities under pre-specified terms and conditions. These generally include loan commitments, financial guarantee contracts and certain types of letters of credit. Such contracts are recognised in the Statements of financial position only when drawn upon, and may expire without being called. Credit related commitments are subject to expected credit loss requirements disclosed in Note 13 *Expected Credit Loss*.

Contingent liabilities and commitments are disclosed in Note 33 *Contingent liabilities and commitments*.

Employee benefit provisions

Employee benefit provisions are recognised by the Consolidated Entity as and when the service has been rendered after deducting amounts already paid. The Consolidated Entity accrues for costs arising under applicable staff carry plans based on the expected cash outflows.

Liabilities for unpaid salaries, salary-related costs and provisions for annual leave are recorded in the Statements of financial position at the salary rates which are expected to be paid when the liability is settled. Provisions for long service leave and other long-term benefits are recognised at the present value of expected future payments to be made. In the case of employee carried interest, this is reflected in accordance with employee’s period of service relative to the expected fund life.

In determining this amount, consideration is given to expected future salary levels and employee service histories. Expected future payments are discounted to their net present value using discount rates on high quality corporate bonds, except where there is no deep market, in which case rates on Government securities are used. Such discount rates have terms that match as closely as possible the expected future cash flows.

Provisions for unpaid employee benefits are derecognised when the benefit is settled or is transferred to another entity and the Company and Consolidated Entity are legally released from the obligation and do not retain a constructive obligation.

Dividends

Where a dividend is determined or resolved by the Company’s Board of Directors, consideration is given to the record date when determining the date on which the provision for the dividend is recognised in the Statements of financial position as a liability, with a corresponding reduction in retained earnings.

(xix) Issued debt securities and other borrowings

Issued debt securities and other borrowings include debt securities issued by the Consolidated Entity, loans and other payables to banks and financial and non-financial institutions.

These balances are:

- initially recognised at fair value less directly attributable transaction costs and subsequently measured at amortised cost, or
- when DFVTPL, initially recognised and subsequently measured at fair value in accordance with the Consolidated Entity's accounting policy for financial instruments, refer to Note 44(vii) *Financial instruments*

(xx) Due to/from subsidiaries

Transactions between the Company and its subsidiaries principally arise from the provision of lending arrangements, acceptance of funds on deposit, intercompany services and transactions and the provision of financial guarantees. Intercompany services and transactions are accounted for in accordance with Note 44(iv) *Revenue and expense recognition* where they are transacted in a principal capacity. Financial assets, financial liabilities and financial guarantee contracts are accounted for in accordance with Note 44(vii) *Financial instruments*. Financial assets and financial liabilities are presented net where the offsetting requirements are met, such that the net amount is reported in the Statements of financial position.

(xxi) Loan capital

Loan capital represents issued debt with terms and conditions that qualify for inclusion as capital under Australian Prudential Regulation Authority (APRA) Standards.

Note 44

Material accounting policies continued

(xxi) Loan capital continued

Capital instruments are first assessed to determine whether the Consolidated Entity is required to deliver cash or another financial asset on the occurrence of a contingent event that is considered genuine and beyond the control of both the issuer and the holder (such as Common Equity Tier 1 Trigger Events or Non-Viability Trigger Events). Where such a contingent event exists, then the Consolidated Entity does not have the unconditional right to avoid delivering cash or another financial asset and the capital instrument is classified as a financial liability.

The financial liability is initially measured at fair value plus directly attributable transaction costs and is subsequently measured at amortised cost.

For compound instruments that have both equity and liability features, the liability component is initially measured at fair value plus directly attributable transaction costs (and is thereafter measured at amortised cost using the EIR method), with the residual being accounted for within the Consolidated Entity's equity.

(xxii) Impairment

Expected credit losses

The ECL requirements apply to financial assets measured at amortised cost or FVOCI, lease receivables, receivables from contracts with customers, loan commitments, certain letters of credit and financial guarantee contracts issued that are not DFVTPL. The Consolidated Entity applies a three-stage approach to measuring the ECL based on changes in the financial asset's underlying credit risk and includes forward looking information (FLI).

ECL is measured as the product of probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The calculation of ECL requires judgement and the choice of inputs, estimates and assumptions. Refer to Note 13 *Expected credit losses* for further information. Outcomes within the next financial period that are different from management's assumptions and estimates could result in changes to the timing and amount of ECL to be recognised.

The ECL is determined with reference to the following stages:

(i) Stage I—12 month ECL

At initial recognition, and for financial assets for which there has not been a significant increase in credit risk (SICR) since initial recognition, ECL is determined based on the probability of default (PD) over the next 12 months adjusted for FLI. Stage I also includes financial assets where the credit risk has improved and has been reclassified from Stage II.

(ii) Stage II—Not credit-impaired

When there has been a SICR since initial recognition, the ECL is determined with reference to the financial asset's lifetime PD adjusted for FLI. The Consolidated Entity exercises judgement in determining whether there has been a SICR since initial recognition based on qualitative, quantitative, and reasonable and supportable information that includes FLI. Detail on the Consolidated Entity's process to determine whether there has been a SICR is provided in Note 13 *Expected credit losses*.

Use of alternative criteria could result in significant changes to the timing and amount of ECL to be recognised. Lifetime ECL is generally determined based upon the contractual maturity adjusted, where appropriate, for prepayments, extension, call and similar options, of the financial asset. For revolving facilities, the Consolidated Entity exercises judgement based on the behavioural, rather than contractual characteristics of the facility type. Stage II may include financial assets where the credit risk has improved and has been reclassified from Stage III.

(iii) Stage III—Credit-impaired

Financial assets are classified as Stage III where they are determined to be credit impaired, which generally matches the APRA definition of default. This includes exposures that are at least 90 days past due and where the obligor is unlikely to pay without recourse against available collateral.

The ECL for credit impaired financial assets is generally measured as the difference between the contractual and expected cash flows from the individual exposure, discounted using the EIR for that exposure.

Presentation of ECL allowances

The ECL allowances are presented in the Statements of financial position as follows:

- loan assets, loans to related body corporate entities and subsidiaries, associates and joint ventures measured at amortised cost – as a deduction to the gross carrying amount
- loan assets, loans to associates and joint ventures, and debt financial investments measured at FVOCI – as a reduction in the FVOCI reserve within equity. The carrying amount of the asset is not adjusted as it is measured at fair value
- lease receivables, contract receivables and other assets measured at amortised cost – as a deduction to the gross carrying amount
- undrawn credit commitments and financial guarantees issued (not measured at FVTPL) – as a provision included in other liabilities.

When the Consolidated Entity concludes that there is no reasonable expectation of recovering cash flows from the financial asset, and all possible collateral has been realised, the financial asset is written off, either partially or in full, against the related provision. Recoveries of loans previously written off are recorded based on the cash received.

Note 44

Material accounting policies continued

(xxii) Impairment continued

Impairment of interests in associates and joint ventures

The Consolidated Entity performs an assessment at each reporting date to determine whether there is any objective evidence that its interests in associates or joint ventures are impaired. The main indicators of impairment are significant changes with an adverse effect that have taken place in the technological market, economic or legal environment and a significant or prolonged decline in fair value below cost.

In making this judgement, the Consolidated Entity evaluates, among other factors, the normal volatility in share price and the period of time for which fair value has been below cost. If there is an indication that an investment in an associate or joint venture may be impaired, then the entire carrying amount of the investment in the associate or joint venture is tested for impairment by comparing the recoverable amount, being the higher of fair value less costs to sell and value-in-use, with its carrying amount.

Impairment losses recognised in the income statement for investments in associates and joint ventures are subsequently reversed through the income statement if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was recognised. The impairment losses (reversal of impairments) on investments in associates and joint ventures are recognised in the income statement as part of other impairment charges/reversal.

Fair value less costs to sell is estimated using market-based approaches using revenues, earnings and assets under management and multiples based on companies deemed comparable as well as other publicly available information relevant to the business.

Value-in-use is calculated using pre-tax cashflow projections of operating revenue and expenses. Forecasts are extrapolated using a growth rate and discounted using a pre-tax discount rate incorporating market risk determinants, adjusted for specific risks related to the cash generating units, if any, and the environment in which it operates.

Impairment of investments in subsidiaries

Investments in subsidiaries in the Company's financial statements are reviewed annually for indicators of impairment or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognised in other impairment charges/reversal, for the amount by which the investment's carrying amount exceeds its recoverable amount, being the higher of fair value less costs to sell and value-in-use. At each reporting date, investments in subsidiaries that have been impaired are reviewed for possible reversal of impairment. The amount of any reversal of impairment recognised must not cause the investment's carrying value to exceed its original cost.

Impairment of other non-financial assets including cash-generating units

Intangible assets with indefinite lives (goodwill and certain intangible assets) are not subject to amortisation but are tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable.

For intangible assets that have a finite useful life, as well as property, plant and equipment and ROU assets, an assessment is made at each reporting date to determine whether there is any indication of impairment.

Impairment losses are recognised in other impairment charges as part of net other operating income and charges for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

For the purposes of assessing impairment, non-financial assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Intangible assets (other than goodwill) for which an impairment loss has been recognised are reviewed for possible reversal of the impairment at each reporting date. A reversal is recognised only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised for the asset in prior years.

(xxiii) Performance based remuneration

Employee equity participation

The Consolidated Entity operates share-based compensation plans, which include awards (including those delivered through the Macquarie Group Employee Retained Equity Plan (MEREP)) granted to employees under share acquisition plans. Information relating to these schemes is set out in Note 32 *Employee equity participation*.

The Consolidated Entity accounts for its share-based payments as follows:

Equity settled awards: The awards are measured at their grant date fair value and based on the number of equity instruments expected to vest. Expenses are recognised as part of employment expenses with a corresponding increase in equity with reference to the vesting period of those awards. Performance hurdles attached to Performance Share Units (PSUs) under the MEREP are not taken into account when determining the fair value of the PSUs at the grant date. Instead, these vesting conditions are taken into account by adjusting the number of equity instruments expected to vest. For the Company, the accounting is dependent on whether the Company is compensated for its obligations under the MEREP award. To the extent that employing subsidiaries compensate the Company via an upfront prepayment for the MEREP offered to their employees, a recharge liability due to subsidiaries is recognised by the Company at grant date representing the payment received in advance of the award being settled.

Note 44

Material accounting policies continued

(xxiii) Performance based remuneration continued

This liability reduces over the vesting period with a corresponding increase in the share-based payments reserve. MEREP liabilities are recognised and disclosed in Note 30 *Related party information*.

To the extent that employing subsidiaries compensate the Company after the fact for the MEREP offered to their employees, a recharge asset due from subsidiaries is recognised by the Company on a cumulative basis over the vesting period. The amount recognised each period is equivalent to the portion of the grant date fair value of the awards that have vested during the period, less any amounts already paid to the Company by the employing subsidiaries. MEREP assets are recognised as assets *Due from Subsidiaries* and disclosed in Note 30 *Related party information.*

To the extent that employing subsidiaries do not compensate the Company for the MEREP offered to their employees', the Company reflects the provision of the equity settled award as a contribution to its subsidiary and as a result increases its investment in the subsidiary with a corresponding increase in the share-based payments reserve. On vesting, amounts recognised in the share-based payments reserve are transferred to contributed equity.

Cash settled awards: The awards are measured at their grant date fair value and based on the number of instruments expected to vest. Expenses are recognised as part of employment expenses with reference to vesting period of those awards which are settled in cash. The award liability is measured with reference to the number of awards and the fair value of those awards at each reporting date. Changes in the fair value of the liability are recognised in employment expenses.

Profit share remuneration

The Consolidated Entity recognises a liability and an expense for profit share remuneration to be paid in cash with reference to the performance period to which the profit share relates.

(xxiv) Leases

At the inception of a contract, the Consolidated Entity assesses whether a contract is, or contains, a lease. At inception, or on reassessment of a contract that contains a lease component, the Consolidated Entity allocates the consideration in the contract to each lease component unless an election is made to account for the lease and non lease components as a single lease component.

(i) Accounting where the Consolidated Entity is the lessee

The Consolidated Entity leases office premises, commodity storage facilities, technology and other equipment for which contracts are typically entered into for fixed periods of 12 months to 15 years and may include extension options. Leases are recognised as an ROU asset (as explained in Note 44(xiv) *Property, plant and equipment and right-of-use assets*) and a corresponding liability at the commencement date, being the date the leased asset is available for use by the Consolidated Entity.

Lease liability

Lease liabilities are initially measured at the present value of the future lease payments at the commencement date, discounted using the interest rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate). Lease payments are allocated between principal and interest expense.

Interest expense is, unless capitalised on a qualifying asset which is not measured at fair value, recognised as part of interest and similar expense over the lease period on the remaining lease liability balance for each period. Any variable lease payments not included in the measurement of the lease liability are also recognised in the income statement in the period in which the event or condition that triggers those payments occurs.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in lease term, an assessment of an option to purchase the underlying asset, an index or rate, or a change in the estimated amount payable under a residual value guarantee.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying value of the ROU asset, or, in the income statement, where the carrying value of the ROU asset has been reduced to zero.

Presentation

The Consolidated Entity presents ROU assets in Property, plant and equipment and right-of-use assets (refer to Note 15) and lease liabilities in Other liabilities (refer to Note 23) in the Statements of financial position.

(ii) Accounting where the Consolidated Entity is a lessor

Leases where the lessee has substantially all the risks and rewards incidental to ownership of the leased assets are classified as finance leases. All other leases are classified as operating leases.

Finance lease

Where finance leases are granted to third parties, the present value of the minimum lease payments plus an estimate of the value of any unguaranteed residual value is recognised as a receivable and included in loan assets.

Interest income is recognised over the term of the lease using the EIR method, which reflects a constant rate of return. Finance lease income is presented within interest and similar income in the income statement.

Operating lease

Where the Consolidated Entity is the lessor under an operating lease, the underlying asset is carried at cost and depreciated over its useful life in accordance with the rates specified in Note 44(xiv) *Property, plant and equipment and right-of-use assets*. Operating lease income is recognised on a straight-line basis over the period of the lease unless another systematic basis is more appropriate. Assets leased out under operating leases are included in property, plant and equipment and right of-use assets. Certain right-of-use assets are disclosed as investment property, as applicable.

Note 44

Material accounting policies continue

Lease liability continued

When the Consolidated Entity is an intermediate lessor, it accounts for its interests in the head lease and the sub lease separately. The lease classification of the sublease is determined with reference to the ROU asset arising from the head lease.

(xxv) Contributed equity

Ordinary shares and other similar instruments are classified as equity. Incremental costs directly attributable to the issue of new shares are recorded in equity as a deduction, net of tax, from the issue proceeds.

If the Consolidated Entity reacquires its own equity instruments, those instruments (treasury shares) are recorded at cost and deducted from contributed equity. In cases where treasury shares are acquired and held by the Consolidated Entity, the consideration paid, including any directly attributable transactions costs net of tax, is deducted from contributed equity. Where the instruments are no longer held as treasury shares, any net consideration received is included in contributed equity, after deducting directly attributable transaction costs net of tax

(xxvi) Fiduciary assets and client money

The Consolidated Entity engages in trust, fund or other fiduciary activities as well as certain brokerage and other trading-related activities that result in the holding or placing of assets on behalf of third parties. Where such assets are controlled, and future economic benefits are expected to be realised by the Consolidated Entity, such assets and the income thereon are reflected in the Statements of financial position and income statement respectively.

Where this is not the case, these assets and the income thereon are excluded from the Consolidated Entity's financial statements as they are not the assets of the Consolidated Entity. Fee income earned by the Consolidated Entity relating to its responsibilities from fiduciary and brokerage and other trading-related activities is included as part of fee and commission income.

(xxvii) Cash and bank balances

Cash and bank balances includes currency on hand, demand deposits and short-term balances with Central and other banks including unallocated precious metal balances. These balances are subsequently measured at amortised cost except unallocated precious metals which are held at FVTPL.

(xxviii) Cash and cash equivalents

Cash and cash equivalents comprise of cash and bank balances (except unallocated precious metal balances) as well as certain liquid financial investments and non trading reverse repurchase agreements that have a contractual maturity of three months or less from the date of acquisition and which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are available to meet the Consolidated Entity's short-term cash commitments. Cash and cash equivalents exclude margin money balances, trading assets and certain client-related balances which are segregated from the Consolidated Entity's own funds and are thus restricted from use.

(xxix) Investment property

Investment properties are initially recognised at cost and subsequently measured at fair value at each reporting date. Any change in fair value, in addition to any lease income generated, is recognised in other income as part of net other operating income and charges.

(xxx) Comparatives

Where necessary, comparative information has been re-presented to conform to changes in presentation in the current year.

(xxxi) Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191*, amounts in the Directors' Report and Financial Report have been rounded off to the nearest million Australian dollars unless otherwise indicated.

Consolidated entity disclosure statement

Basis of Preparation

The Consolidated Entity Disclosure Statement has been prepared in accordance with subsection 295(3A) of the *Corporations Act 2001* (Cth) and includes details as at the reporting date for Macquarie Group Limited and its controlled entities in accordance with AASB 10 *Consolidated Financial Statements*. The entity's role as a trustee, partner or participant in a joint venture (if applicable), of any entity within the Group is disclosed in "Entity Type".

Determination of Tax Residency

Section 295(3A) of the *Corporations Act 2001* (Cth) requires that the tax residency of consolidated entities be disclosed. In determining tax residency, the Consolidated Entity has applied the following interpretations:

Australian tax residency

The Consolidated Entity has applied the *Income Tax Assessment Act 1997* (ITAA) and judicial precedent and having regard to the Commissioner of Taxation's public guidance in *Taxation Ruling TR 2018/5* and *Practical Compliance Guideline PCG 2018/9* to determine whether an entity is an Australian resident.

In addition, the Consolidated Entity has disclosed the Australian tax resident status of partnerships and trusts in accordance with recent amendments to the *Corporations Act 2001* (Cth) which applies to subsequent reporting periods for the Consolidated Entity and modifies the definition of 'Australian resident' for partnerships and trusts.

Foreign tax residency

The Consolidated Entity has applied the legislation relating to foreign income tax and, where applicable, judicial precedent to determine whether an entity is a resident of the foreign jurisdiction.

		Body Corporate		Tax Residency	
Entity Name	**Entity Type**	**Place Formed or Incorporated**	**% of Share Capital held**	**Australian or foreign resident**	**Jurisdiction for foreign resident**
Macquarie Group Limited	Body Corporate	Australia	100%	Australian	N/A
ALPG 1 Pty Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
ANZ Logistics Property Group Pty Limited	Body Corporate	Australia	100%	Australian	N/A
B2R No. 2 Pty Limited	Body Corporate	Australia	100%	Australian	N/A
B2R No. 3 Pty Limited	Body Corporate	Australia	100%	Australian	N/A
B2R No. 1 Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Belike Nominees Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Bond Street Custodians Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Buttonwood Nominees Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Elaine Windfarm Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Equitas Nominees Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Euro Fin Co Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Gatesun Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Gillman Pty. Ltd.	Body Corporate	Australia	100%	Australian	N/A
Great Eastern Offshore Wind Farm Investment Pty Ltd	Body Corporate, Trustee	Australia	100%	Australian	N/A
Great Eastern Offshore Wind Farm Project Co Pty Ltd	Body Corporate, Trustee	Australia	100%	Australian	N/A
Great Eastern Offshore Wind Farm Pty Ltd	Body Corporate, Trustee	Australia	100%	Australian	N/A
Heartbeat Energy Holdco Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Henderson WA Pty Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Lal Lal Wind Farms Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Acceptances Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Agricultural Funds Management Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Agricultural Funds Management No.2 Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Alliance Partners Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
MAM ALPG Hold Trust	Trust	N/A	N/A	Australian	N/A
Macquarie Alternative Assets Management Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Americas Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Asset Finance Pty Limited	Body Corporate	Australia	100%	Australian	N/A

Consolidated entity disclosure statement

Continued

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Macquarie Asset Management Europe Holdings Pty Limited	Body Corporate, Partner	Australia	100%	Australian	N/A
Macquarie Asset Management Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Asset Management UK Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Asset Management US Holdings Pty Limited	Body Corporate, Partner	Australia	100%	Australian	N/A
Macquarie Australian Infrastructure Management 1 Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Australian Infrastructure Management 2 Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie B.H. Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Bank Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Capital (Australia) Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Capital Advisers CRE Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Capital Global Equities Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie CGM Trading Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Commodities Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Commodities Trading Australia Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Commodities Trading Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Corporate and Asset Finance Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Corporate Finance Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Corporate Finance Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Corporate Holdings Pty Limited	Body Corporate, Partner	Australia	100%	Australian	N/A
Macquarie Corporate International Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Emerging Markets Investments Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Energy Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Energy Services Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Equities (US) Holdings Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Equities Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Farm Services Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Financial Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Financial Products Management Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Fund Advisers Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Funds Management Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie FX Investments Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie GIG Funds Management Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Macquarie Group (US) Holdings No.1 Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Group Holdings No.3 Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Group Services Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Group Treasury Funding Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie GT Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Infrastructure and Real Assets Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Infrastructure Funds Management Pty Limited	Body Corporate	Australia	100%	Australian	N/A

		Body Corporate		Tax Residency	
Entity Name	**Entity Type**	**Place Formed or Incorporated**	**% of Share Capital held**	**Australian or foreign resident**	**Jurisdiction for foreign resident**
Macquarie Infrastructure Management (Asia) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie International Finance Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie International Investments Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Investment Holdings No.2 Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Investment Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Investment Management Australia Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Macquarie Investment Management Global Limited	Body Corporate, Partner	Australia	100%	Australian	N/A
Macquarie Investment Management Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Investment Management Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Investment Services Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Investments Australia Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Leasing Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Life Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Mereenie Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie MIRA Fund Investments Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Offshore Service Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Offshore Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Principal Finance Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Prism Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Real Estate Investment Holding (Australia) Pty Limited	Body Corporate, Partner	Australia	100%	Australian	N/A
Macquarie Real Estate Management (Australia) Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Renewable Energy Holdings Pty Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Macquarie Securities (Australia) Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Securitisation Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Services Partnership Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Solar Financing Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Specialised Accommodation Solutions Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Specialised Asset Management 2 Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Specialised Asset Management Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Specialist Investment Management Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Structured And Specialist Investments Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Syndication (No.12) Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Technology Investments Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Transportation Finance Australia Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Twentieth Aviation Leasing Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie UK Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
MAFCA2 Investments Pty Limited	Body Corporate	Australia	100%	Australian	N/A
MAFCA Investments Pty Limited	Body Corporate	Australia	95%	Australian	N/A

Consolidated entity disclosure statement

Continued

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
MTF Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Onyx Insight Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Pathway Investments Australia Pty Limited	Body Corporate	Australia	100%	Australian	N/A
PropertyIQ Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Reginetti Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Reverse Mortgage Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Samphire CHCO Pty Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Samphire HoldCo Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Samphire PartnerCo Pty Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Skylight Dev Co Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Skylight Mid Co Pty Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Skylight Project Co Pty Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Skylight RN Pty Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Southern Ocean Offshore Wind Investment Pty Ltd	Body Corporate, Trustee	Australia	100%	Australian	N/A
Southern Ocean Offshore Wind Project Co Pty Ltd	Body Corporate, Trustee	Australia	100%	Australian	N/A
Southern Ocean Offshore Wind Pty Ltd	Body Corporate, Trustee	Australia	100%	Australian	N/A
TC Akarua 1 Pty Limited	Body Corporate	Australia	100%	Australian	N/A
TC Akarua 2 Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Woodross Nominees Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Yendon Windfarm Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Zenzero Australia Pty Ltd	Body Corporate	Australia	61%	Australian	N/A
ALPG 1 Co-Invest Trust	Trust	N/A	N/A	Australian	N/A
Barcelona Funding Trust	Trust	N/A	N/A	Australian	N/A
Bluestone Equity Release Series 1 Warehouse Trust	Trust	N/A	N/A	Australian	N/A
Great Eastern Offshore Wind Farm Asset Trust	Trust	N/A	N/A	Australian	N/A
Great Eastern Offshore Wind Farm Hold Trust	Trust	N/A	N/A	Australian	N/A
Great Eastern Offshore Wind Farm Investment Trust	Trust	N/A	N/A	Australian	N/A
Henderson WA Trust	Trust	N/A	N/A	Australian	N/A
MAM ALPG Hold Trust	Trust	N/A	N/A	Australian	N/A
Mac Fund One Trust	Trust	N/A	N/A	Australian	N/A
Macquarie GIG Renewable Energy Fund 3 Parallel Trust	Trust	N/A	N/A	Australian	N/A
Macquarie Global Value Equity Fund	Trust	N/A	N/A	Australian	N/A
Macquarie Group Employee Retained Equity Plan	Trust	N/A	N/A	Australian	N/A
Macquarie Renewables Asset Trust	Trust	N/A	N/A	Australian	N/A
Macquarie Renewables Project Trust	Trust	N/A	N/A	Australian	N/A
Macquarie Septa (UK) II, LP	Partnership	N/A	N/A	Australian	N/A
MBL Covered Bond Trust	Trust	N/A	N/A	Australian	N/A
MEIF 5 Executives LP	Partnership	N/A	N/A	Australian	N/A
Polaris Global Equity Fund (Hedged)	Trust	N/A	N/A	Australian	N/A
PUMA Series 2015-3	Trust	N/A	N/A	Australian	N/A
PUMA Series 2017-1	Trust	N/A	N/A	Australian	N/A
PUMA Series 2019-1	Trust	N/A	N/A	Australian	N/A
PUMA Series 2021-2 Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2021-1P Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2022-1 Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2023-1 Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2024-2 Trust	Trust	N/A	N/A	Australian	N/A

		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
PUMA Series 2024-1 Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2025-1 Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series R Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series W Trust	Trust	N/A	N/A	Australian	N/A
PUMA Subfund B-1	Trust	N/A	N/A	Australian	N/A
Samphire CH Trust	Trust	N/A	N/A	Australian	N/A
Samphire Partner Trust	Trust	N/A	N/A	Australian	N/A
Skylight Mid Trust	Trust	N/A	N/A	Australian	N/A
Skylight Project Trust	Trust	N/A	N/A	Australian	N/A
Skylight Retail North Sub Trust	Trust	N/A	N/A	Australian	N/A
SMART ABS Series 2022-1P Trust	Trust	N/A	N/A	Australian	N/A
SMART ABS Series W2 Trust	Trust	N/A	N/A	Australian	N/A
SMART ABS SERIES W3 Trust	Trust	N/A	N/A	Australian	N/A
SMART B Trust	Trust	N/A	N/A	Australian	N/A
Southern Ocean Offshore Wind Asset Trust	Trust	N/A	N/A	Australian	N/A
Southern Ocean Offshore Wind Hold Trust	Trust	N/A	N/A	Australian	N/A
Southern Ocean Offshore Wind Investment Trust	Trust	N/A	N/A	Australian	N/A
TRAMS ABS Series 2015-1	Trust	N/A	N/A	Australian	N/A
Macquarie Energy Trading LLC	Body Corporate	United States	100%	Australian	N/A
Macquarie Nufang US LLC	Body Corporate	United States	100%	Australian	N/A
Macquarie Emerging Markets Debt Select Opportunities Fund, LLC	Body Corporate	United States	100%	Australian	N/A
Macquarie Lending & Investment Partners LLP	Body Corporate	United Kingdom	100%	Australian	N/A
Macquarie Investment Management Austria Kapitalanlage AG	Body Corporate	Austria	100%	Foreign	Austria
Macquarie Investment Management Holdings (Austria) GmbH	Body Corporate	Austria	100%	Foreign	Austria
Macquarie Commodities Trading Bahamas Ltd[1]	Body Corporate	Bahamas	100%	Foreign	N/A
Macquarie Belgium TCG SRL	Body Corporate	Belgium	100%	Foreign	Belgium
Macquarie Corporate Holdings Belgium NV	Body Corporate	Belgium	100%	Foreign	Belgium
InEvo Re Ltd	Body Corporate, Partner	Bermuda	100%	Foreign	Bermuda
InEvo Re Management Services LLC	Body Corporate	Bermuda	100%	Foreign	Bermuda
InEvo Re Midco LLC	Body Corporate	Bermuda	100%	Foreign	Bermuda
InEvo Re Topco LLC	Body Corporate	Bermuda	100%	Foreign	Bermuda
Macquarie (Bermuda) Limited	Body Corporate	Bermuda	100%	Foreign	Bermuda
Macquarie Infrastructure Philippines Limited	Body Corporate	Bermuda	100%	Foreign	Bermuda
Macquarie Infrastructure Reinsurance Company Limited	Body Corporate	Bermuda	100%	Foreign	Bermuda
Macquarie Investment Management (Bermuda) Limited	Body Corporate	Bermuda	100%	Foreign	Bermuda
Corio Generation Brazil Limitada	Body Corporate	Brazil	100%	Foreign	Brazil
Geradora Eólica Brigadeiro I Ltda.	Body Corporate	Brazil	100%	Foreign	Brazil
Geradora Eólica Brigadeiro II Ltda.	Body Corporate	Brazil	100%	Foreign	Brazil
Geradora Eólica Brigadeiro III Ltda.	Body Corporate	Brazil	100%	Foreign	Brazil
Geradora Eólica Brigadeiro IV Ltda.	Body Corporate	Brazil	100%	Foreign	Brazil
Geradora Eólica Brigadeiro V Ltda.	Body Corporate	Brazil	100%	Foreign	Brazil
Macquarie Brasil Participacoes Ltda	Body Corporate	Brazil	100%	Foreign	Brazil
Macquarie Commodities Brasil S/A	Body Corporate	Brazil	100%	Foreign	Brazil

[1] Entities are formed or incorporated in jurisdictions which do not have a corporate tax regime and therefore the concept of tax residency does not apply.

Consolidated entity disclosure statement

Continued

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Macquarie Energia Brasil Comercializadora Ltda.	Body Corporate	Brazil	100%	Foreign	Brazil
Macquarie Servicos de Consultoria Limitada	Body Corporate	Brazil	100%	Foreign	Brazil
Zenzero EOOD	Body Corporate	Bulgaria	61%	Foreign	Bulgaria
Fresh Air Educators Inc.	Body Corporate	Canada	61%	Foreign	Canada
Kalkomey Holdings Canada Inc.	Body Corporate	Canada	61%	Foreign	Canada
Kalkomey Intermediate Holdings Canada Inc.	Body Corporate	Canada	61%	Foreign	Canada
Macquarie Canada MPIP GP Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Canada MPIP LP Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Capital Development Canada Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Capital Holdings (Canada) Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Capital Markets Canada Ltd./Marchés Financiers Macquarie Canada Ltée.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Capital Markets North America Ltd./ Marchés Financiers Macquarie Amérique Du Nord Ltée.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Capital Principal Holdings Canada Ltd	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Commodities Canada Corporation	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Commodities Holding Canada Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Commodities Trading Canada Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Energy Canada Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Equipment Finance Ltd./Macquarie Financement d'Équipement Ltée.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Funding 7 Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Funding 8 Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Funding 9 Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Funding Holdings Canada Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Funding Inc.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Infrastructure and Real Assets (Sales) Canada Ltd	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Infrastructure Partners Canada GP Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie North America Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Resource Capital Canada Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Technology Services (Canada) 2 Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Technology Services (Canada) Ltd.	Body Corporate	Canada	100%	Foreign	Canada
OutdoorSmart! Inc.	Body Corporate	Canada	61%	Foreign	Canada
Tristone Capital SA Ltd	Body Corporate	Canada	100%	Foreign	Canada
Yorkton Capital Partners II Inc.	Body Corporate	Canada	100%	Foreign	Canada
Yorkton Capital Partners Inc.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie ASEAN Technology Investments Holdings GP Ltd.[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Macquarie Asia Infrastructure Management Limited[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Macquarie Asia Specialized Asset Management I Limited[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Macquarie Capital Asia Technology Investments Holdings GP Ltd.[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Macquarie Capital Securities (Japan) Limited[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Macquarie Emerging Markets Debt Select Opportunities Fund, Ltd.[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A

[1] Entities are formed or incorporated in jurisdictions which do not have a corporate tax regime and therefore the concept of tax residency does not apply.

		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Macquarie Emerging Markets Debt Select Opportunities Master Fund, Ltd[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Macquarie Greater China Infrastructure Management Limited[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Macquarie Infrastructure Limited[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Macquarie Innovative Vision Fund Manager Limited[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Macquarie Innovative Vision Partners II Limited[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Macquarie Innovative Vision Partners Limited[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Macquarie Investments (Singapore) Limited[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Market Street CLO Ltd. I[1]	Body Corporate	Cayman Islands	0%	Foreign	N/A
MCTC Investments Holdings GP Ltd.[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
TC Feeder GP Ltd[1]	Body Corporate	Cayman Islands	100%	Foreign	N/A
Chile Pacific HoldCo 2 SpA	Body Corporate	Chile	100%	Foreign	Chile
Chile Pacific Holdco 3 SpA	Body Corporate	Chile	100%	Foreign	Chile
HC Three Investments SpA	Body Corporate	Chile	100%	Foreign	Chile
Macquarie Capital (Chile) SpA	Body Corporate	Chile	100%	Foreign	Chile
Macquarie Commodities Trading (Shanghai) Co, Ltd	Body Corporate	China	100%	Foreign	China
Macquarie Equipment Trading (Shanghai) Co., Ltd	Body Corporate	China	100%	Foreign	China
Macquarie Investment Advisory (Beijing) Co Ltd	Body Corporate	China	100%	Foreign	China
Macquarie Investment Consulting (Shanghai) Co Ltd.	Body Corporate	China	100%	Foreign	China
Sustainable Feedstocks Group Guangdong Limited	Body Corporate	China	65%	Foreign	China
Fox-Pitt, Kelton N.V.	Body Corporate	Curacao	100%	Foreign	Curacao
JBF Nearshore ApS	Body Corporate	Denmark	49%	Foreign	Denmark
Pakaa HoldCo ApS	Body Corporate	Denmark	100%	Foreign	Denmark
Cero France SAS	Body Corporate	France	100%	Foreign	France
Macquarie Capital France Société Anonyme	Body Corporate	France	100%	Foreign	France
Macquarie Capital French Fund, Société d'Investissement à Capital Variable	Body Corporate	France	100%	Foreign	France
Nara Solar France S.A.R.L.	Body Corporate	France	100%	Foreign	France
NS France 1 SAS	Body Corporate	France	100%	Foreign	France
NS France 5 SAS	Body Corporate	France	100%	Foreign	France
NS France 7 SAS	Body Corporate	France	100%	Foreign	France
NS France 8 SAS	Body Corporate	France	100%	Foreign	France
NS France 9 SAS	Body Corporate	France	100%	Foreign	France
NS France 10 SAS	Body Corporate	France	100%	Foreign	France
NS France 12 SAS	Body Corporate	France	100%	Foreign	France
NS France 13 SAS	Body Corporate	France	100%	Foreign	France
NS France 14 SAS	Body Corporate	France	100%	Foreign	France
NS France 16 SAS	Body Corporate	France	100%	Foreign	France
NS France 19 SAS	Body Corporate	France	100%	Foreign	France
NS France 20 SAS	Body Corporate	France	100%	Foreign	France
NS France 21 SAS	Body Corporate	France	100%	Foreign	France
NS France 22 SAS	Body Corporate	France	100%	Foreign	France
NS France 23 SAS	Body Corporate	France	100%	Foreign	France
NS France 24 SAS	Body Corporate	France	100%	Foreign	France

[1] Entities are formed or incorporated in jurisdictions which do not have a corporate tax regime and therefore the concept of tax residency does not apply.

Consolidated entity disclosure statement

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Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
NS France 25 SAS	Body Corporate	France	100%	Foreign	France
NS France 26 SAS	Body Corporate	France	100%	Foreign	France
NS France 27 SAS	Body Corporate	France	100%	Foreign	France
NS France 28 SAS	Body Corporate	France	100%	Foreign	France
NS France 29 SAS	Body Corporate	France	100%	Foreign	France
NS France 30 SAS	Body Corporate	France	100%	Foreign	France
NS France 31 SAS	Body Corporate	France	100%	Foreign	France
NS France 32 SAS	Body Corporate	France	100%	Foreign	France
NS France 33 SAS	Body Corporate	France	100%	Foreign	France
NS France 34 SAS	Body Corporate	France	100%	Foreign	France
NS France 35 SAS	Body Corporate	France	100%	Foreign	France
NS France 36 SAS	Body Corporate	France	100%	Foreign	France
NS France 37 SAS	Body Corporate	France	100%	Foreign	France
Adler Capital Holdings GmbH	Body Corporate	Germany	100%	Foreign	Germany
Cero Erneuerbare Energien GmbH	Body Corporate	Germany	100%	Foreign	Germany
Globe Beteiligungs GmbH	Body Corporate	Germany	100%	Foreign	Germany
Macquarie European Rail GmbH	Body Corporate	Germany	100%	Foreign	Germany
Macquarie Fonds GmbH	Body Corporate	Germany	100%	Foreign	Germany
Macquarie Fondsmanagement GmbH	Body Corporate	Germany	100%	Foreign	Germany
Macquarie Germany Holdings GmbH	Body Corporate	Germany	100%	Foreign	Germany
Macquarie Investments Deutschland GmbH	Body Corporate	Germany	100%	Foreign	Germany
Macquarie Treuvermögen GmbH	Body Corporate	Germany	100%	Foreign	Germany
Macquarie Verwaltungs GmbH	Body Corporate	Germany	100%	Foreign	Germany
MIF Holdings GmbH	Body Corporate	Germany	100%	Foreign	Germany
Cero Development Hellas Single Member S.A.	Body Corporate	Greece	100%	Foreign	Greece
Cero Generation Services Greece Single Member Private Company	Body Corporate	Greece	100%	Foreign	Greece
Energy Storage Ventures I.K.E.	Body Corporate	Greece	85%	Foreign	Greece
Energy Ventures 6 I.K.E.	Body Corporate	Greece	85%	Foreign	Greece
Energy Ventures 10 I.K.E.	Body Corporate	Greece	85%	Foreign	Greece
Gilda Energy Single Member Societe Anonyme	Body Corporate	Greece	100%	Foreign	Greece
Hibiscus Energy Single Member Societe Anonyme	Body Corporate	Greece	100%	Foreign	Greece
Ilios Serron Single Member Societe Anonyme	Body Corporate	Greece	100%	Foreign	Greece
Storage Ventures I.K.E.	Body Corporate	Greece	85%	Foreign	Greece
Sunrider Holdings Single Member Societe Anonyme	Body Corporate	Greece	100%	Foreign	Greece
Sunrider Single Member Societe Anonyme	Body Corporate	Greece	100%	Foreign	Greece
Sustainable Ventures 10 I.K.E.	Body Corporate	Greece	85%	Foreign	Greece
Sustainable Ventures 11 I.K.E.	Body Corporate	Greece	85%	Foreign	Greece
WattCrop Energy Storage Single Member S.A.	Body Corporate	Greece	67%	Foreign	Greece
WattCrop Hellas I.K.E.	Body Corporate	Greece	67%	Foreign	Greece
Macquarie Septa (Guernsey), LLP[1]	Body Corporate, Partner	Guernsey	60%	Foreign	N/A
MEIF 5 Guernsey GP Limited	Body Corporate, Partner	Guernsey	100%	Foreign	Guernsey
MEIF 6 N2 GP Limited	Body Corporate	Guernsey	100%	Foreign	Guernsey
MGIDF Guernsey GP Limited	Body Corporate	Guernsey	100%	Foreign	Guernsey
MIDF UK1 Guernsey GP Limited	Body Corporate	Guernsey	100%	Foreign	Guernsey
MIDF UK1 LLP[1]	Body Corporate	Guernsey	100%	Foreign	N/A
MIDF UK1B Guernsey GP Limited	Body Corporate	Guernsey	100%	Foreign	Guernsey

[1] These entities are treated as flow through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.

		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
MIDF UK2 Guernsey GP Limited	Body Corporate	Guernsey	100%	Foreign	Guernsey
MIRA UK Gas Holdings GP Limited	Body Corporate	Guernsey	100%	Foreign	Guernsey
Resolution IT Limited	Body Corporate	Guernsey	61%	Foreign	Guernsey
Macquarie Asia Securities Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Capital Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Corporate (Hong Kong) Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Funds Management Hong Kong Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Infrastructure and Real Assets (Hong Kong) Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Infrastructure and Real Assets Management (Hong Kong) Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie International Services Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Internet Investments Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Markets Trading Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Meters 4 Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Services (Hong Kong) Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Ventures (Hong Kong) Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
MCTC Investments Holdings (Hong Kong) Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Akamu Solar Energy Private Limited	Body Corporate	India	58%	Foreign	India
Aquila Solar Power Private Limited	Body Corporate	India	93%	Foreign	India
Aragorn Renewable Energy Private Limited	Body Corporate	India	93%	Foreign	India
Arkha Solar Power Private Limited	Body Corporate	India	69%	Foreign	India
Atlantic Urja Private Limited	Body Corporate	India	93%	Foreign	India
Egan Solar Power Private Limited	Body Corporate	India	68%	Foreign	India
Elio Energy Private Limited	Body Corporate	India	93%	Foreign	India
Eridanus Solar Power Private Limited	Body Corporate	India	93%	Foreign	India
Ethan Energy India Private Limited	Body Corporate	India	69%	Foreign	India
Kleio Solar Power Private Limited	Body Corporate	India	93%	Foreign	India
Macquarie Capital Securities (India) Private Limited	Body Corporate	India	100%	Foreign	India
Macquarie Finance (India) Private Limited	Body Corporate	India	100%	Foreign	India
Macquarie Global Services Private Limited	Body Corporate	India	100%	Foreign	India
Macquarie Group Management (India) Private Limited	Body Corporate	India	100%	Foreign	India
Macquarie Infrastructure and Real Assets (India) Private Limited	Body Corporate	India	100%	Foreign	India
MQG Commodities (India) Private Limited	Body Corporate	India	100%	Foreign	India
Natems Renewable Energy Private Limited	Body Corporate	India	93%	Foreign	India
Natems Solar Power Private Limited	Body Corporate	India	68%	Foreign	India
Onsight Analytics Solutions India Private Limited	Body Corporate	India	100%	Foreign	India
Proteus Energy Private Limited	Body Corporate	India	93%	Foreign	India
Repal Green Power Private Limited	Body Corporate	India	93%	Foreign	India
Repal Renewables Private Limited	Body Corporate	India	93%	Foreign	India
Tasoula Energy Private Limited	Body Corporate	India	57%	Foreign	India
VEH Aarush Renewables Private Limited	Body Corporate	India	93%	Foreign	India
VEH Advik Energy Private Limited	Body Corporate	India	93%	Foreign	India
VEH Aelius Energy Private Limited	Body Corporate	India	93%	Foreign	India
VEH Anshu Power Private Limited	Body Corporate	India	93%	Foreign	India
VEH Cyra Energy Private Limited	Body Corporate	India	93%	Foreign	India
VEH Elite Energy Private Limited	Body Corporate	India	93%	Foreign	India

Consolidated entity disclosure statement

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		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
VEH Ener Crest Power Private Limited	Body Corporate	India	93%	Foreign	India
VEH Fusion Renewables Private Limited	Body Corporate	India	93%	Foreign	India
VEH Global India Private Limited	Body Corporate	India	93%	Foreign	India
VEH Green Aura Private Limited	Body Corporate	India	93%	Foreign	India
VEH Green Energy Solutions Private Limited	Body Corporate	India	93%	Foreign	India
VEH Green Pledge Power Private Limited	Body Corporate	India	93%	Foreign	India
VEH Greencrest Energy Private Limited	Body Corporate	India	93%	Foreign	India
VEH Infinite Green Source Private Limited	Body Corporate	India	93%	Foreign	India
VEH Jayin Renewables Private Limited	Body Corporate	India	93%	Foreign	India
VEH Mitra Energy Private Limited	Body Corporate	India	63%	Foreign	India
VEH Pavan Urja Private Limited	Body Corporate	India	93%	Foreign	India
VEH Power Nirman Private Limited	Body Corporate	India	93%	Foreign	India
VEH Radiant Energy Private Limited	Body Corporate	India	69%	Foreign	India
VEH Renewables Private Limited	Body Corporate	India	93%	Foreign	India
VEH Solano Solar Power Private Limited	Body Corporate	India	93%	Foreign	India
VEH Solis Energy Private Limited	Body Corporate	India	93%	Foreign	India
VEH Srishti Energy Private Limited	Body Corporate	India	53%	Foreign	India
VEH Surya Energy Private Limited	Body Corporate	India	93%	Foreign	India
VEH Sustainable Energy Solutions Private Limited	Body Corporate	India	93%	Foreign	India
VEH Taiyo Energy Private Limited	Body Corporate	India	93%	Foreign	India
VEH Ujjaval Energy Renewables Private Limited	Body Corporate	India	93%	Foreign	India
VEH Ultrawave Private Limited	Body Corporate	India	93%	Foreign	India
VEH Urja Private Limited	Body Corporate	India	93%	Foreign	India
VEH Vivid Power Private Limited	Body Corporate	India	93%	Foreign	India
VEH Wind Energy Private Limited	Body Corporate	India	67%	Foreign	India
PT Macquarie Sekuritas Indonesia	Body Corporate	Indonesia	99%	Foreign	Indonesia
Broadstone Housing Investments Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Euro Investco PPP Ireland GP Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Fuinneamh Og Teoranta	Body Corporate	Ireland	70%	Foreign	Ireland
GGB inBalans Investco Ireland GP Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Hermes Infrastructure Investco Ireland GP Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Ibsen Investco PPP Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Macquarie Bank Europe Designated Activity Company	Body Corporate	Ireland	100%	Foreign	Ireland
Macquarie Commodities Trading (Ireland) Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Macquarie Equipment Finance Designated Activity Company	Body Corporate	Ireland	100%	Foreign	Ireland
Macquarie Equipment Finance Services Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Macquarie Products (Ireland) Limited	Body Corporate	Ireland	100%	Foreign	United Kingdom
MQ PPP Investments Ireland GP Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Purple Investco PPP Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Rijn InvestCo PPP Ireland GP Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Scheldt Investco PPP Ireland GP Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Shannon Investco PPP Ireland GP Limited	Body Corporate	Ireland	100%	Foreign	Ireland
UK PPP Transportation No 3 Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Young Energy Holding Company Limited	Body Corporate	Ireland	70%	Foreign	Ireland
Macquarie Holdings Israel Ltd	Body Corporate	Israel	100%	Foreign	Israel
Cero Italy Projects 1 S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Cero Italy Projects 2 S.R.L.	Body Corporate	Italy	100%	Foreign	Italy

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Cero Italy Projects 3 S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Cero Italy Projects S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Cero Services Italy S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Energie Rinnovabili Monreale S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Fluorite New Energy S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Smeraldo New Energy S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
SOL PV 1 S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Solar Italy III S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Solar Italy VI S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
SR Augusta S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
SR Bari S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
SR Project 1 S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
SR Project 5 S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
SR San Giuseppe S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
SR Taranto S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
SR Torino S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
SR Trapani S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Topazio New Energy S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Trisol 81 S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Trisol 82 S.R.L.	Body Corporate	Italy	100%	Foreign	Italy
Macquarie (Japan) Limited	Body Corporate	Japan	100%	Foreign	Japan
Macquarie Asset Finance Japan Limited	Body Corporate	Japan	100%	Foreign	Japan
Macquarie Asset Management Japan Co., Ltd.	Body Corporate	Japan	100%	Foreign	Japan
Macquarie Energy Japan Limited	Body Corporate	Japan	100%	Foreign	Japan
Bunhill Investments Unlimited	Body Corporate	Jersey	100%	Foreign	United Kingdom
FPK Capital I CIP GP Limited	Body Corporate	Jersey	100%	Foreign	Jersey
Hydra Investments 2007 Limited	Body Corporate	Jersey	100%	Foreign	United Kingdom
Macquarie Corporate Holdings Europe Limited	Body Corporate	Jersey	100%	Foreign	United Kingdom
Busan Offshore Wind Power Co., Ltd.	Body Corporate	South Korea	100%	Foreign	South Korea
Ceres Holdings Co., Ltd.	Body Corporate	South Korea	100%	Foreign	South Korea
Cheongsapo Offshore Wind Power Co., Ltd.	Body Corporate	South Korea	81%	Foreign	South Korea
Corio Generation Busan Holdco Limited	Body Corporate	South Korea	100%	Foreign	South Korea
Corio Generation Korea LLC	Body Corporate	South Korea	100%	Foreign	South Korea
EH Energy Holdings Co., Ltd.	Body Corporate	South Korea	100%	Foreign	South Korea
EH Yangju Co., Ltd.	Body Corporate	South Korea	100%	Foreign	South Korea
Gijang Offshore Wind Power Co., Ltd.	Body Corporate	South Korea	100%	Foreign	South Korea
Green Investment Group (Korea) LLC	Body Corporate	South Korea	100%	Foreign	South Korea
Gyeongju Clean Energy Co., Ltd.	Body Corporate	South Korea	69%	Foreign	South Korea
Macquarie Capital (Korea) Limited	Body Corporate	South Korea	100%	Foreign	South Korea
Macquarie Finance Korea Co., Ltd.	Body Corporate	South Korea	100%	Foreign	South Korea
Macquarie Korea Asset Management Co., Ltd.	Body Corporate	South Korea	100%	Foreign	South Korea
Macquarie Securities Korea Limited	Body Corporate	South Korea	100%	Foreign	South Korea
Onyx Insight Korea Co.,Ltd.	Body Corporate	South Korea	100%	Foreign	South Korea
Saha Offshore Wind Power Co., Ltd.	Body Corporate	South Korea	100%	Foreign	South Korea
Macquarie Asset Management Europe S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Asset Management Insurance Capital Solutions I S.à.r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Asset Management Insurance Capital Solutions GP S.à r.l.	Body Corporate, Partner	Luxembourg	100%	Foreign	Luxembourg
Macquarie B1 Luxembourg GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Capital SG GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg

Consolidated entity disclosure statement

Continued

		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Macquarie Capital SICAV-RAIF	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Direct Lending Europe GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Inflation Linked Income Fund Luxembourg GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Infrastructure and Real Assets Investments (Luxembourg) S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Infrastructure and Real Assets S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Innovative Venture Partners (Lux) S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Insurance Facility Luxembourg S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Investment Management Europe SA	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Investment Management Holdings (Luxembourg) S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie N1 Global Luxembourg GP S.a r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Portfolio Financing Fund Luxembourg GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Real Assets Investment Platform GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
MAIF 2 Luxembourg GP S.à r.l.	Body Corporate, Partner	Luxembourg	100%	Foreign	Luxembourg
MAIF 3 Luxembourg GP S.à r.l.	Body Corporate, Partner	Luxembourg	100%	Foreign	Luxembourg
MAIF 4 Luxembourg GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
MAPIF Luxembourg GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
MEIF 5 Luxembourg GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
MEIF 6 Luxembourg GP S.à r.l.	Body Corporate, Partner	Luxembourg	100%	Foreign	Luxembourg
MEIF 7 Luxembourg GP S.à.r.l.	Body Corporate, Partner	Luxembourg	100%	Foreign	Luxembourg
MGECO Luxembourg GP S.a r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
MGETS Luxembourg GP S.à r.l.	Body Corporate, Partner	Luxembourg	100%	Foreign	Luxembourg
MGIF Luxembourg GP S.à r.l.	Body Corporate, Partner	Luxembourg	100%	Foreign	Luxembourg
MGREF 2 Luxembourg GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
MIP IV Luxembourg GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
MIP V Luxembourg GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
MIP VI Luxembourg GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
MREP GP S.à.r.l.	Body Corporate, Partner	Luxembourg	100%	Foreign	Luxembourg
MREP Lodge Co-Invest GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
MSCIF Luxembourg GP S.à r.l.	Body Corporate	Luxembourg	100%	Foreign	Luxembourg
Macquarie Capital Securities (Malaysia) Sdn. Bhd.	Body Corporate	Malaysia	100%	Foreign	Malaysia
Macquarie Equipment Leasing Sdn. Bhd.	Body Corporate	Malaysia	100%	Foreign	Malaysia
Macquarie Asset Finance Mauritius Ltd	Body Corporate	Mauritius	100%	Foreign	Mauritius
Macquarie Capital Securities (Mauritius) Limited	Body Corporate	Mauritius	100%	Foreign	Mauritius
Macquarie Global Finance Services (Mauritius) Limited	Body Corporate	Mauritius	100%	Foreign	Mauritius
Macquarie Mauritius Investments Limited	Body Corporate	Mauritius	100%	Foreign	Mauritius
Comercializadora Energia de la Reforma S. de R.L. de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Fund General Partner, S.A. de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Macquarie Asset Management México, S.A. de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Macquarie Capital Mexico, S.A.P.I. de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Macquarie Energy Mexico, S. de R.L. de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Macquarie Holdings (Mexico), S.A. DE C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Macquarie Services (Mexico), S.A. de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Macquarie Servicios Electricos de Mexico S. de R.L de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Brasil Mb01 Fundo De Investimento Em Participações Multiestratégia Responsabilidade Limitada[1]	Trust	N/A	N/A	Foreign	N/A
Brasil Mb02 Fundo De Investimento Em Participações Multiestratégia Responsabilidade Limitada[1]	Trust	N/A	N/A	Foreign	N/A
Macquarie Asset Management Insurance Capital Solutions SCSp SICAV-RAIF[1]	Partnership	N/A	N/A	Foreign	N/A
Macquarie Fundo De Investimento Multimercado Crédito Privado Investimento No Exterior[1]	Trust	N/A	N/A	Foreign	N/A
Macquarie Global Infrastructure Fund (EUR Feeder) SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
Macquarie Global Infrastructure Fund (USD Feeder) SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
Macquarie Septa (UK) I, LP[1]	Partnership	N/A	N/A	Foreign	N/A
MAIF 2 Executives SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
MAIF 3 Executives SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
MEIF 6 Executives SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
MEIF 7 Executives SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
MEIF 7 Earth Co-Invest SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
MGETS Executives SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
MGETS Sophisticated Staff Investors Feeder SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
MREP Blocked Executives SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
MREP Blocked Staff Investors SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
MREP Executives Aggregator SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
MREP Sophisticated Staff Investors Feeder SCSp[1]	Partnership	N/A	N/A	Foreign	N/A
ROC Asia Pacific Private Equity Offshore Fund, L.P.[2]	Partnership	N/A	N/A	Foreign	N/A
The Macquarie Topi40 Investment Trust	Trust	N/A	N/A	Foreign	South Africa
Bellamy BESS Holding B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
International Compliance Software Holding B.V.	Body Corporate	Netherlands	90%	Foreign	Netherlands
L2 B.V.	Body Corporate	Netherlands	100%	Foreign	United Kingdom
MAM Ashita AMS1 BidCo B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
Nara Solar NL B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
Stichting Security Trustee E-MAC DE 2009-I	Body Corporate	Netherlands	N/A	Foreign	Netherlands
UNL Solar 2 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 3 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 4 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 5 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 6 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 7 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 8 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 9 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 10 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 11 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 12 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands

1 These entities are treated as flow through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.
2 Entities are formed or incorporated in jurisdictions which do not have a corporate tax regime and therefore the concept of tax residency does not apply.

Consolidated entity disclosure statement

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Entity Name	Entity Type	Body Corporate: Place Formed or Incorporated	Body Corporate: % of Share Capital held	Tax Residency: Australian or foreign resident	Tax Residency: Jurisdiction for foreign resident
UNL Solar 13 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 14 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 15 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 16 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 17 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
UNL Solar 19 B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
Urja Seventh B.V.	Body Corporate	Netherlands	100%	Foreign	Netherlands
Macquarie Asset Management (NZ) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Macquarie Capital (New Zealand) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Macquarie Equipment Finance Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Macquarie Group Holdings New Zealand Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Macquarie Securities (NZ) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
MPF Parking Holdings NZ Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
MPF Parking NZ Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
BLE Philippines Holdings Inc.	Body Corporate	Philippines	100%	Foreign	Philippines
Blue Leaf Energy Services Philippines, Inc.	Body Corporate	Philippines	100%	Foreign	Philippines
Macquarie Advisors (Philippines) Inc.	Body Corporate	Philippines	100%	Foreign	Philippines
Macquarie Capital Securities (Philippines) Inc.	Body Corporate	Philippines	100%	Foreign	Philippines
Macquarie Group Services (Philippines), Inc.	Body Corporate	Philippines	100%	Foreign	Philippines
Macquarie Infrastructure Advisory (Philippines) Inc.	Body Corporate	Philippines	100%	Foreign	Philippines
Vind Energy Corp.	Body Corporate	Philippines	40%	Foreign	Philippines
Cero Generation Poland Spółka Z Ograniczoną Odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
Cero Polska 1 Spółka Z Ograniczoną Odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
Cero Polska 2 Spółka Z Ograniczoną Odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
Femoren Spółka Z Ograniczoną Odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 1 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 2 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 3 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 4 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 5 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 6 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 7 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 8 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 9 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 10 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 11 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 12 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 13 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 14 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 15 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 16 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 17 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 18 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 19 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 20 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
NRG 23 spółka z ograniczoną odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
Ribolla Spółka Z Ograniczoną Odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland

		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Roselle Spółka Z Ograniczoną Odpowiedzialnością	Body Corporate	Poland	100%	Foreign	Poland
Aragorn Holding Company Two Pte. Ltd.	Body Corporate	Singapore	93%	Foreign	Singapore
BLE Project 103 Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Blue Leaf Energy SPV Holdco Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Fema Holdco Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie (Asia) Pte Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Asia Infrastructure Management 2 Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Asia-Pacific Infrastructure Management 3 Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Asia-Pacific Infrastructure Management 4 Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Capital (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Capital Securities (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Capital Vietnam Green Investments Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Commodities Trading (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Commodity Markets (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Data Centre Investments Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Digital Infrastructure Asia Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Digital Tower Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Emerging Markets Asian Trading Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Energy Transition Asia Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Ev Investments Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Futures (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Group Holdings (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Group Services (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Holdings 2 (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Holdings (Singapore) Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie India Infrastructure Management Holdings Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Infrastructure And Real Assets (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Infrastructure Holdings (Philippines) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Insurance (Singapore) Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie NE Holdings (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Principal Finance Asia Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
MIEP SG Management Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Orchestra Management G1 Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Phil-Tower Holdings Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
PTCI Holdings Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Resource Marine Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
TC Singapore Holdings GP Pte Ltd	Body Corporate	Singapore	100%	Foreign	Singapore
TCK Holdings 1 GP Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore

Consolidated entity disclosure statement

Continued

		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Vibrant Energy Holdings Company One Pte. Ltd.	Body Corporate	Singapore	93%	Foreign	Singapore
Vibrant Energy Holdings Company Two Pte. Ltd.	Body Corporate	Singapore	93%	Foreign	Singapore
Vibrant Energy Holdings Pte. Ltd.	Body Corporate	Singapore	93%	Foreign	Singapore
Vibrant Energy India Pte. Ltd.	Body Corporate	Singapore	93%	Foreign	Singapore
Macquarie Advisory and Capital Markets South Africa Proprietary Limited	Body Corporate	South Africa	100%	Foreign	South Africa
Macquarie Africa Proprietary Limited	Body Corporate	South Africa	100%	Foreign	South Africa
Macquarie Equities South Africa Proprietary Limited	Body Corporate	South Africa	100%	Foreign	South Africa
Macquarie Holdings South Africa Proprietary Limited	Body Corporate	South Africa	100%	Foreign	South Africa
Macquarie Securities South Africa (Pty) Ltd	Body Corporate	South Africa	100%	Foreign	South Africa
Zenzero Technologies (Pty) Ltd	Body Corporate	South Africa	61%	Foreign	South Africa
Abeto New Energy S.L.	Body Corporate	Spain	80%	Foreign	Spain
Alcala Del Jucar Energy S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Alcaraz Solar S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Castellana De Robledo Energy S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Castelo Melide Energy S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Cero Generation Services Spain S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Erdene Solar, S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Kiwi New Energy, S.L.	Body Corporate	Spain	70%	Foreign	Spain
La Caravia Solar, S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Lidabashi International Advisors, S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 7 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 9 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 11 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 12 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 18 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 21 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 23 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 25 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 26 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 27 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 28 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 29 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 30 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 31 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 32 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 33 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 34 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 35 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 36 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 37 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 38 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 39 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 40 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 41 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 42 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 43 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 44 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 45, S.L.U.	Body Corporate	Spain	100%	Foreign	Spain

		Body Corporate		Tax Residency	
Entity Name	**Entity Type**	**Place Formed or Incorporated**	**% of Share Capital held**	**Australian or foreign resident**	**Jurisdiction for foreign resident**
Nara ES Solar 46 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 47 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 48 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 49 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 50 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 51 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 52 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 53 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 54 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 55 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 56 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 57 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 58 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 59 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 60 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 61 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 62 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 63 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 64 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara ES Solar 65 S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Nara Solar, S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Odouri Solar S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Onyx Insight Spain, S.L.	Body Corporate	Spain	100%	Foreign	Spain
Palatium New Energy, S.L.	Body Corporate	Spain	70%	Foreign	Spain
Petra New Energy, S.L.	Body Corporate	Spain	70%	Foreign	Spain
Polenta New Energy, S.L.	Body Corporate	Spain	70%	Foreign	Spain
Sandala New Energy, S.L.	Body Corporate	Spain	70%	Foreign	Spain
Talaria New Energy, S.L.	Body Corporate	Spain	70%	Foreign	Spain
Ticopa Servicios Empresariales, S.L.	Body Corporate	Spain	100%	Foreign	Spain
Valdebatan Solar S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Viana Do Bolo Energy S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Yubari Solar, S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
Favonius AB	Body Corporate	Sweden	100%	Foreign	Sweden
Macquarie Commodities Trading SA	Body Corporate	Switzerland	100%	Foreign	Switzerland
Macquarie Investment Management Switzerland GmbH	Body Corporate	Switzerland	100%	Foreign	Switzerland
Macquarie Services SA	Body Corporate	Switzerland	100%	Foreign	Switzerland
Corio Generation Taiwan Limited	Body Corporate	Taiwan	100%	Foreign	Taiwan
Macquarie Formosa 1 Co., Ltd.	Body Corporate	Taiwan	100%	Foreign	Taiwan
Macquarie Securities (Thailand) Limited	Body Corporate	Thailand	100%	Foreign	Thailand
Resolution IT MEA DMCC	Body Corporate	United Arab Emirates	61%	Foreign	United Arab Emirates
Aberthaw Green Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Adapt Biogas FinanceCo Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Adapt Biogas HoldCo Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Adapt Biogas Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Alphabet Equityco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Bernard Topco Limited	Body Corporate	United Kingdom	60%	Foreign	United Kingdom
Berrima Lendco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Bestla UK Limited	Body Corporate	United Kingdom	62%	Foreign	United Kingdom
Bilbao Offshore TopCo Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom

Consolidated entity disclosure statement

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		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Bolney Green Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Bramley Solar Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Breachology Ltd	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Bridge Partners Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Bridgwater Green Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Brigadeiro Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Capital Meters Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Cero Generation Holdings France Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Cero Generation Holdings Germany Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Cero Generation Holdings Greece Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Cero Generation Holdings Italy Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Cero Generation Holdings Poland Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Cero Generation Holdings Spain Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Cero Generation Holdings UK Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Cero Generation Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Cero Generation Services Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
CHAPTRE GreenCo Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Clifton Investment Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Corio Generation International Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Corio Generation Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Corio Generation Service Company Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Corona Energy Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Corona Energy Retail 1 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Corona Energy Retail 2 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Corona Energy Retail 3 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Corona Energy Retail 4 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Corona Gas Management Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Craighouse Investments Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Denwa Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Denwa Investment Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Dynamic Edge Group Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Dynamic Edge Solutions Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Elstree Green Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings A Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings B Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings C Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings D Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings F Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings G Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings H Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings I Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings J Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings K Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings L Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings M Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings N Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings O Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings P Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings Portfolio Borrower Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings Portfolio Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom

		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Enso Green Holdings Q Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings R Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings Ss Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings U Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings V Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings W Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings X Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings Y Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Enso Green Holdings Z Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Eos Investment Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Evercreech BidCo Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
Evercreech Renewable Energy Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
Exmos Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Fleet Green Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Fleete Assets UK Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Fleete Group Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Fox-Pitt, Kelton Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
GIG OSW Investments Appointer Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
GIGIL Peregrine Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Goonzaran Bluebell Leasing Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Gordon Topco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Great Eastern Offshore Wind Farm UK HoldCo Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Green Empire WtE Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Green Investment Group Investments Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Green Investment Group Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
HC2 Investments Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Infinity UK Borrower 1 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Infinity UK HoldCo 1 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Insight Analytics Solutions Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Insight Analytics Solutions Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Iron Acton Green Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Kareela Holdco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Kusten Offshore Holding Company Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lakehouse Mortgages Limited	Body Corporate	United Kingdom	0%	Foreign	United Kingdom
Lalune Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
LMS Computer Services Ltd	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Lochlann TopCo Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Lovedean Green Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Macquarie (Scotland) GP Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie (UK) Group Services Limited	Body Corporate, Partner	United Kingdom	100%	Foreign	United Kingdom
Macquarie Asset Finance Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Asset Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Asset Management Trustee Co Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Asset Management UK Holdings No.1 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Asset Management UK Holdings No.2 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Capital (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Commodities (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom

Consolidated entity disclosure statement

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		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Macquarie Commodities Factoring Holdings (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Commodities Finance (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Corona Energy Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Energy Leasing Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Euro Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie European Investment Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie European Rail Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Global Investments (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie GP2 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Group Holdings (UK) No.2 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Group Investments (UK) No.1 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Group Investments (UK) No.2 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Infrastructure and Real Assets (Europe) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Infrastructure and Real Assets Core Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Infrastructure and Real Assets Investments Limited	Body Corporate, Partner	United Kingdom	100%	Foreign	United Kingdom
Macquarie Infrastructure and Real Assets US Holdings Limited	Body Corporate, Partner	United Kingdom	100%	Foreign	United Kingdom
Macquarie Infrastructure GP Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie International Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie International Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Internationale Investments Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Investment Management Europe Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Investments 1 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Investments 3 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Investments (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Leasing Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Meters 3 (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Meters 5 (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Physical Commodities UK Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Principal Finance UK Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Ropemaker Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Specialised Asset Services Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Trade & Asset Finance International Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Transportation Finance Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie UK Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie UK Holdings No.2 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Maryland Topco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Matrix Networks (Holdings) Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
Matrix Networks Group Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
Matrix Networks Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
Matrix Networks Trustee Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
Matrix Water Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
MEIF (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Meteor UK Bidco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Meteor UK Midco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Meteor UK Topco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
MGREF 1 GP Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
MIF Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Moorgate PL Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
MPF General Partner 1 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
MPF Nominees Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
MPRC Europe Ltd	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
MTech IT (Leeds) Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Murrow AD Plant Ltd	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Net Technical Solutions Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Netmetix Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Neustro Consulting Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Neuways Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Nordic Renewable Power Holdings (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Norgh Holding Company Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
OnTech IT Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
OSW Investments Japan JVCo 2 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
OSW Investments R4 JVCo (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
OSW Investments Taiwan JVCo 1 Limited	Body Corporate	United Kingdom	50%	Foreign	United Kingdom
OSW Investments Taiwan JVCo 2 Limited	Body Corporate	United Kingdom	50%	Foreign	United Kingdom
OSW Investments Taiwan JVCo 3 Limited	Body Corporate	United Kingdom	50%	Foreign	United Kingdom
Pembroke Green Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Philippines OSW Investments Limited	Body Corporate, Participant in a Joint venture	United Kingdom	100%	Foreign	United Kingdom
Poland Wind HoldCo Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Quostar Solutions Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Rayleigh Green Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Redini Bidco Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Redini Midco Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Redini Parentco Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Redini Topco Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
ReGas UK Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Renewables HoldCo Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Sea Lion Wind HoldCo Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Sole Renewables Italy Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Sole Renewables Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Somerset Farm (East Anglia) Ltd	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Sonne (Italy) Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Sota Investments (UK) HoldCo Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Southern Ocean Offshore Wind UK HoldCo Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Steep Housing Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Sustainable Feedstocks Group Limited	Body Corporate	United Kingdom	65%	Foreign	United Kingdom
Taranis Bidco Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
Taranis Midco Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
Taranis Parentco Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
Taranis Topco Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
Teesside Flexible Holdings Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Teesside Flexible ReGas Port Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Tekkers IT Solutions Ltd	Body Corporate	United Kingdom	61%	Foreign	United Kingdom

Consolidated entity disclosure statement

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		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Tenacity Capital Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
The Caelum Way Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Thetis TopCo Limited	Body Corporate	United Kingdom	74%	Foreign	United Kingdom
Tornado Acquisitions Bidco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Tornado Acquisitions Midco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Tornado Acquisitions Parentco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Tornado Acquisitions Topco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Treglown Bidco Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
Treglown Topco Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
UK Gas Transportation Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
UK Green Investment Bank Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
UK Green Investment Climate International Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
UK Power Distribution Limited	Body Corporate	United Kingdom	85%	Foreign	United Kingdom
Utility Metering Services Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Vanadium Holdco Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Ventus Sensing Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Wattcrop Projects UK Limited	Body Corporate	United Kingdom	67%	Foreign	United Kingdom
Wylfa Green Limited	Body Corporate	United Kingdom	75%	Foreign	United Kingdom
Young OSW JVCo Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Zenzero Solutions Limited	Body Corporate	United Kingdom	61%	Foreign	United Kingdom
441 DG Holdings, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
1250 N LaSalle Member LLC[1]	Body Corporate	United States	100%	Foreign	N/A
1250 N LaSalle Property LLC[1]	Body Corporate	United States	100%	Foreign	N/A
2375 Ala Wai Property LLC[1]	Body Corporate	United States	81%	Foreign	N/A
2375 Ala Wai Holding LLC[1]	Body Corporate	United States	81%	Foreign	N/A
Aerogy LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Aligned Co-Invest GP LLC[1]	Body Corporate	United States	100%	Foreign	N/A
American Hydro LLC[1]	Body Corporate	United States	78%	Foreign	N/A
Aquila MSIG 3 (USD) UnLev US Fund Aggregator 3 LP[1]	Body Corporate	United States	100%	Foreign	N/A
Aquila MSIG 3 (USD) Lev US Fund Aggregator 1 LP[1]	Body Corporate	United States	100%	Foreign	N/A
Artemis Blocker Corporation	Body Corporate	United States	61%	Foreign	United States
Artemis Investor Holdings, LLC[1]	Body Corporate	United States	61%	Foreign	N/A
Artemis KE Blocker Buyer, Inc.	Body Corporate	United States	61%	Foreign	United States
Artemis KE Blocker, L.P.[1]	Body Corporate	United States	61%	Foreign	N/A
Artemis Outdoor Holdings, LLC[1]	Body Corporate	United States	61%	Foreign	N/A
Avenal Power Center, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Blueshine, LLC[1]	Body Corporate	United States	60%	Foreign	N/A
Central Park Advisers, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Central Park Fund Administration, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Central Park Group, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Circularix Management Company, LLC[1]	Body Corporate	United States	0%	Foreign	N/A
Circularix, LLC	Body Corporate	United States	68%	Foreign	United States
Citron Holdings, LLC	Body Corporate	United States	100%	Foreign	United States
Citron Ocala, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Citron Platforms, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Closing Documentation Services, LLC[1]	Body Corporate	United States	60%	Foreign	N/A
Cobalt Civil, LLC[1]	Body Corporate	United States	78%	Foreign	N/A

1 These entities are treated as flow through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.

		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Cobalt Contracting LLC[1]	Body Corporate	United States	78%	Foreign	N/A
Commerce and Industry Brokerage Inc.	Body Corporate	United States	100%	Foreign	United States
Corio Atlantic OSW Holdings 2 LLC	Body Corporate	United States	100%	Foreign	United States
Corio Atlantic OSW Holdings 3, LLC	Body Corporate	United States	100%	Foreign	United States
Corio Generation USA Holdings Inc.	Body Corporate	United States	100%	Foreign	United States
Corio Generation USA LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Corio USA Atlantic Holdings L.P.	Body Corporate	United States	100%	Foreign	United States
Corio USA Holdco LLC [1]	Body Corporate	United States	100%	Foreign	N/A
Corio USA ProjectCo LLC [1]	Body Corporate	United States	100%	Foreign	N/A
Crystal Screens Media LLC	Body Corporate	United States	100%	Foreign	United States
CX Hatfield, LLC[1]	Body Corporate	United States	68%	Foreign	N/A
CX Ocala, LLC[1]	Body Corporate	United States	68%	Foreign	N/A
CX Team, LLC[1]	Body Corporate	United States	68%	Foreign	N/A
DD Grid, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
Delaware Distributors, Inc.	Body Corporate	United States	100%	Foreign	United States
Delaware Distributors, L.P.[1]	Body Corporate	United States	100%	Foreign	N/A
Delaware Enhanced High Yield Municipal LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Delaware Investments Distribution Partner, Inc.	Body Corporate	United States	100%	Foreign	United States
Delaware Investments Fund Services Company	Body Corporate	United States	100%	Foreign	United States
Delaware Investments Management Company, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Delaware Service Company, Inc.	Body Corporate	United States	100%	Foreign	United States
Dovel Holdings II, LLC[1]	Body Corporate	United States	64%	Foreign	N/A
DynaGrid Acquisition, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
DynaGrid Construction Group, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
DynaGrid Group Holdings, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
DynaGrid Holdings LLC[1]	Body Corporate	United States	78%	Foreign	N/A
DynaGrid Intermediate Holdings, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
Earth Resources Technology, LLC[1]	Body Corporate	United States	75%	Foreign	N/A
Echo Bidco LLC[1]	Body Corporate	United States	75%	Foreign	N/A
Echo Blocker Corporation	Body Corporate	United States	75%	Foreign	United States
Echo Investor Holdings LLC[1]	Body Corporate	United States	75%	Foreign	N/A
Farm & Ranch Construction, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
Florida Coral Lien Investments, LLC[1]	Body Corporate	United States	60%	Foreign	N/A
Fox-Pitt Kelton Cochran Caronia Waller LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Fremantle Energy Holdings, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Fremantle Wind Holdings Inc.	Body Corporate	United States	100%	Foreign	United States
Fresh Air (Nevada) LLC[1]	Body Corporate	United States	61%	Foreign	N/A
Fresh Air (US) LP[1]	Body Corporate	United States	61%	Foreign	N/A
GIG CCS HoldCo, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
GIG Infrastructure HoldCo, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
GIG SHE Finance, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
GIG SHE Holdings, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
GIG Solar HoldCo, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
GIG Solar US Legacy 1, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
GIG Solar US Legacy 2, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
GIG US Investment Holdings Inc.	Body Corporate	United States	100%	Foreign	United States
GIG US Storage Holdings LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Great Lakes Broadband Holdings LLC	Body Corporate	United States	100%	Foreign	United States
InEvo Re Management Services US LLC	Body Corporate	United States	100%	Foreign	United States

[1] These entities are treated as flow through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.

Consolidated entity disclosure statement

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Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Infinity US Borrower 1 LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Infinity US Holdco 1 LLC	Body Corporate	United States	100%	Foreign	United States
Insight Analytics Solutions USA, Inc	Body Corporate	United States	100%	Foreign	United States
Ivy Distributors, Inc.	Body Corporate	United States	100%	Foreign	United States
Ivy Investment Management Company	Body Corporate	United States	100%	Foreign	United States
Jones Street Holdings, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
Kalkomey Borrower, LLC[1]	Body Corporate	United States	61%	Foreign	N/A
Kalkomey Enterprises, LLC[1]	Body Corporate	United States	61%	Foreign	N/A
Kalkomey Holdings, LLC[1]	Body Corporate	United States	61%	Foreign	N/A
Kalkomey Intermediate, LLC[1]	Body Corporate	United States	61%	Foreign	N/A
Kalkomey PI Holdings, LLC[1]	Body Corporate	United States	61%	Foreign	N/A
KE Sportsman Buyer, Inc.	Body Corporate	United States	61%	Foreign	United States
Legacy Environmental Services LLC[1]	Body Corporate	United States	78%	Foreign	N/A
M Acquisition Company V Corporation	Body Corporate	United States	100%	Foreign	United States
M Acquisition Company VI Corporation	Body Corporate	United States	100%	Foreign	United States
M Acquisition Company VII Corporation	Body Corporate	United States	100%	Foreign	United States
M Acquisition V Sponsor, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
M Acquisition VI Sponsor, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
M Acquisition VII Sponsor, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Affiliated Managers (USA) Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Affiliated Managers Holdings (USA) Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Alliance Partners Infrastructure Fund GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Alliance Partners Management, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Alliance Partners, LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie Alpine Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie AM US Holdings, LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie America Holdings Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Artemis Investor, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Asset Management Credit Advisers US, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Asset Management Credit Holdings LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie Asset Management Solutions, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Asset Management US Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie CAF LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Capital (USA) Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Capital Americas Holdings Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Capital Funding LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Capital Investment Holdings Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Capital Partners, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Capital US Acquisitions LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie CLO Equity Fund LP[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie CLO Equity GP LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Commodities Trading US, LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie Communications Infrastructure Holdings, LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie Echo Investor LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Energy LLC[1]	Body Corporate	United States	100%	Foreign	N/A

[1] These entities are treated as flow through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.

		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Macquarie Energy North America Trading Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Energy Partners GP LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Energy Transition Infrastructure Fund, L.P.[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Equipment Capital Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Executive Holdings LLC[1]	Body Corporate	United States	98%	Foreign	N/A
Macquarie FG Holdings Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Funding LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Futures USA LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie Global Services (USA) LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie Good Ventures Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Holdings (U.S.A.) Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Infrastructure and Real Assets Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Infrastructure Debt Opportunities, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Infrastructure Developments LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie Infrastructure Management (USA) Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Infrastructure Partners II GP LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Infrastructure Partners III GP LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Infrastructure Partners Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Infrastructure Partners IV GP LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Infrastructure Partners U.S. GP LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Infrastructure Partners V GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Infrastructure Partners VI GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Investment Management Business Trust[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Investment Management General Partner, Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Investments US Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Leasing LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Management Holdings, Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Opportunities Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Pelican Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Pelican Investor LLC	Body Corporate	United States	99%	Foreign	United States
Macquarie PF II LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie PF Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie PF LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie PF Services LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Physical Commodities, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Real Estate Advisory Services LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie Real Estate Investments Holdings (North America), Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Real Estate Management (US), LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Renewable Energy Inc	Body Corporate	United States	100%	Foreign	United States
Macquarie Room 125 Holdings LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie Rotorcraft Holdings (US) Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Rotorcraft Holdings LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Rotorcraft Leasing, Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Semiconductor and Technology Inc.	Body Corporate	United States	100%	Foreign	United States

[1] These entities are treated as flow through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.

Consolidated entity disclosure statement

Continued

		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Macquarie Septa (US) I, LLC[1]	Body Corporate	United States	59%	Foreign	N/A
Macquarie Septa Aero, LLC[1]	Body Corporate	United States	59%	Foreign	N/A
Macquarie Specialized Infrastructure Global 3 (USD) Lev Onshore Fund LP[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Specialized Infrastructure Global 3 (USD) UnLev Onshore Fund LP[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Storage Investments Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Trading Services Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie US Gas Supply LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie US MPIP GP LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie US MPIP LP LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie US Trading LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie Waikiki Holdings LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Macquarie-PowerFin Solar, LLC[1]	Body Corporate	United States	80%	Foreign	N/A
MAM Americas, Inc.	Body Corporate	United States	100%	Foreign	United States
MAM Co-Invest GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MAM GIG US Renewable Holdings, Inc.	Body Corporate	United States	100%	Foreign	United States
Market Street CLO LLC I[1]	Body Corporate	United States	0%	Foreign	N/A
MCP Solar Assets Partners I LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MCP Solar Assets Partners II LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Medical Student Loan Trust[1]	Body Corporate	United States	100%	Foreign	N/A
Megavolt Borrower, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
Megavolt DG Blocker, Inc.	Body Corporate	United States	78%	Foreign	United States
Megavolt Parent, LLC	Body Corporate	United States	100%	Foreign	United States
Megavolt Pledgor, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
METI GP, LLC	Body Corporate	United States	100%	Foreign	United States
METI TE Feeder, L.P.[1]	Body Corporate	United States	100%	Foreign	N/A
MGECO Holdings US GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MGETS Delaware GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MGETS ECI Executives, L.P.[1]	Body Corporate	United States	100%	Foreign	N/A
MGETS Executives Blocker, L.P.[1]	Body Corporate	United States	100%	Foreign	N/A
MIF US Investment Holdings LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MIGS (ECI) GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MIGS II (ECI) GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MIHI Boxwood Sponsor, LLC[1]	Body Corporate	United States	93%	Foreign	N/A
MIHI LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MIP III (ECI) GP LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MIP IV (Canada) GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MIP IV (ECI) Australian Executives, G.P.	Body Corporate	United States	0%	Foreign	United States
MIP IV (ECI) Carry, L.P.[1]	Body Corporate	United States	0%	Foreign	N/A
MIP IV (ECI) Executives, L.P.[1]	Body Corporate	United States	90%	Foreign	N/A
MIP IV (ECI) Global Executives, L.P.	Body Corporate	United States	0%	Foreign	United States
MIP IV (ECI) GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MIP IV Executives, L.P.[1]	Body Corporate	United States	90%	Foreign	N/A
MIP V (ECI) Executives, L.P.[1]	Body Corporate	United States	90%	Foreign	N/A
MIP V (ECI) Global Executives, L.P.	Body Corporate	United States	0%	Foreign	United States
MIP V (ECI) GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MIP V Executives, L.P.[1]	Body Corporate	United States	90%	Foreign	N/A
MIP VI (ECI) GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MIRA Infrastructure Global Solution GP LLC[1]	Body Corporate	United States	100%	Foreign	N/A

1 These entities are treated as flow through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.

		Body Corporate		Tax Residency	
Entity Name	Entity Type	Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
MIRA Infrastructure Global Solution II GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MPC Americas, LLC	Body Corporate	United States	100%	Foreign	United States
MPF Boca Investor LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MPF Delaware 1 General Partner, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MPF Greenwich Lender LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MPF Oxford Thompson Holding LLC[1]	Body Corporate	United States	95%	Foreign	N/A
MPF Oxford Thompson Property LLC[1]	Body Corporate	United States	95%	Foreign	N/A
MPF Thompson Investor LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MPF Vanderbilt Boca Holding LLC[1]	Body Corporate	United States	95%	Foreign	N/A
MPF Vanderbilt Boca PropCo Parent LLC[1]	Body Corporate	United States	95%	Foreign	N/A
MPF Vanderbilt Boca Property II LLC[1]	Body Corporate	United States	95%	Foreign	N/A
MPF Vanderbilt Boca Property LLC[1]	Body Corporate	United States	95%	Foreign	N/A
MQ Car Park, LLC[1]	Body Corporate	United States	62%	Foreign	N/A
MSIG 3 (USD) Lev Offshore Fund US Blocker LLC	Body Corporate	United States	100%	Foreign	United States
MSIG 3 (USD) UnLev Offshore Fund US Blocker LLC	Body Corporate	United States	100%	Foreign	United States
MSIG 3 (USD) UnLev General Partner LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MSIG 3 (USD) Lev General Partner LLC[1]	Body Corporate	United States	100%	Foreign	N/A
MSOF Megavolt Partners, L.P.[1]	Body Corporate	United States	100%	Foreign	N/A
MSOF US GP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Newton Solar SPV I LLC[1]	Body Corporate	United States	100%	Foreign	N/A
OLF, LLC[1]	Body Corporate	United States	60%	Foreign	N/A
One Call Debt Help LLC[1]	Body Corporate	United States	60%	Foreign	N/A
One Shot Reliability, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
Pelican Bidco LLC[1]	Body Corporate	United States	68%	Foreign	N/A
Pelican Blocker Corporation	Body Corporate	United States	68%	Foreign	United States
Pelican Investor Holdings LLC[1]	Body Corporate	United States	68%	Foreign	N/A
Petro Tradelinks Inc.	Body Corporate	United States	100%	Foreign	United States
Procentrix, LLC[1]	Body Corporate	United States	68%	Foreign	N/A
Regal Capital Group, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
RHP AM Manager, LLC[1]	Body Corporate	United States	75%	Foreign	N/A
RHP AM, LP[1]	Body Corporate	United States	75%	Foreign	N/A
Savion Module Supply Support Provider, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
SCS Transmission Services LLC[1]	Body Corporate	United States	78%	Foreign	N/A
SE Health LLC[1]	Body Corporate	United States	80%	Foreign	N/A
SE Health Member LLC[1]	Body Corporate	United States	100%	Foreign	N/A
SE Health Trust[1]	Body Corporate	United States	80%	Foreign	N/A
Sierra-KBMP, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Specialty Finance Holdings, Inc.	Body Corporate	United States	100%	Foreign	United States
Sportsman Tracker, Inc.	Body Corporate	United States	61%	Foreign	United States
Substation Concrete Services, LLC[1]	Body Corporate	United States	78%	Foreign	N/A
Summerset Intermediate Holdings 2 LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Tax Ease Company LLC[1]	Body Corporate	United States	60%	Foreign	N/A
Tax Ease Employee Services Company LLC[1]	Body Corporate	United States	60%	Foreign	N/A
Tax Ease Financial Services, LP[1]	Body Corporate	United States	60%	Foreign	N/A
Tax Ease FL REO, LLC[1]	Body Corporate	United States	60%	Foreign	N/A
Tax Ease Funding GP LLC[1]	Body Corporate	United States	60%	Foreign	N/A
Tax Ease Funding Two, LLC[1]	Body Corporate	United States	60%	Foreign	N/A
Tax Ease Holdings LLC[1]	Body Corporate	United States	60%	Foreign	N/A
Tax Ease Lien Investments 1, LLC[1]	Body Corporate	United States	60%	Foreign	N/A

1 These entities are treated as flow through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.

Consolidated entity disclosure statement

Continued

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Tax Ease Lien Servicing, LLC[1]	Body Corporate	United States	60%	Foreign	N/A
Tax Ease Ohio, LLC[1]	Body Corporate	United States	60%	Foreign	N/A
Tax Ease Rollup LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Tech and Energy Transition Sponsor LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Turn Investor Holdings, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
W & R Corporate LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Waddell & Reed Financial, Inc.	Body Corporate	United States	100%	Foreign	United States
Waddell & Reed Services Company	Body Corporate	United States	100%	Foreign	United States
WaveCrest Energy Services, LLC	Body Corporate	United States	100%	Foreign	United States
WaveCrest Energy, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
WCE Holdings, LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Whole Loan Trust[1]	Body Corporate	United States	100%	Foreign	N/A
WI RNG EN LLC[1]	Body Corporate	United States	100%	Foreign	N/A
WI RNG Hub North HoldCo LLC[1]	Body Corporate	United States	100%	Foreign	N/A
WI RNG Hub North LLC[1]	Body Corporate	United States	85%	Foreign	N/A
WI RNG MB LLC[1]	Body Corporate	United States	100%	Foreign	N/A
WI RNG VDG LLC[1]	Body Corporate	United States	100%	Foreign	N/A
Woodway Bluebonnet Pipeline LLC[1]	Body Corporate	United States	99%	Foreign	N/A
Woodway Energy Infrastructure LLC[1]	Body Corporate	United States	99%	Foreign	N/A
Woodway Holdings LLC[1]	Body Corporate	United States	99%	Foreign	N/A
Woodway Management Holdings LLC[1]	Body Corporate	United States	99%	Foreign	N/A
Woodway Management LLC	Body Corporate	United States	99%	Foreign	United States
Woodway Midstream Holdings LLC[1]	Body Corporate	United States	99%	Foreign	N/A
Woodway Texas Coleto Connector LLC[1]	Body Corporate	United States	99%	Foreign	N/A
Woodway Texas Pipeline LLC[1]	Body Corporate	United States	99%	Foreign	N/A

[1] These entities are treated as flow through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.

Directors' declaration

Macquarie Group Limited

In the Directors' opinion:

(a) the financial statements and notes set out on pages 157 to 284 are in accordance with the *Corporations Act 2001* (Cth) including:

  (i) complying with Australian Accounting Standards, and

  (ii) giving a true and fair view of the Company's and the Consolidated Entity's financial positions as at 31 March 2025 and their performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) the Consolidated entity disclosure statement set out on pages 285 to 312 is true and correct.

Note 1(i) includes a statement that the Financial Report complies with International Financial Reporting Standards.

The Directors have been given the declarations by the CEO and CFO required by section 295A of the *Corporations Act 2001* (Cth). This declaration is made in accordance with a resolution of the Directors.

Glenn Stevens AC
Independent Director and Chair

Shemara Wikramanayake
Managing Director and Chief Executive Officer

Sydney
9 May 2025

Independent auditor's report

To the members of Macquarie Group Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Macquarie Group Limited (the Company) and its controlled entities (together the Consolidated Entity) is in accordance with the *Corporations Act 2001* (Cth), including:

1. giving a true and fair view of the Company's and Consolidated Entity's financial positions as at 31 March 2025 and of their financial performance for the year then ended
2. complying with Australian Accounting Standards and the *Corporations Regulations 2001* (Cth).

What we have audited

The financial report comprises:

- the Consolidated and Company income statements for the year ended 31 March 2025
- the Consolidated and Company statements of comprehensive income for the year then ended
- the Consolidated and Company statements of financial position as at 31 March 2025
- the Consolidated and Company statements of changes in equity for the year then ended
- the Consolidated and Company statements of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 31 March 2025
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company and the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* (Cth) and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach for the Company and Consolidated Entity

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company and the Consolidated Entity, its accounting processes and controls and the industry in which it operates.

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The Company and the Consolidated Entity audit scope	Key audit matters
Our audit focused on where the Company and the Consolidated Entity made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor, or component auditors from PwC Australia or from other PwC network firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Company and the Consolidated Entity financial report as a whole.	Amongst other relevant topics, we communicated the following key audit matters to the Board Audit Committee: • expected credit loss (ECL) allowance on loan assets • valuation of complex or illiquid assets and liabilities carried at fair value through profit and loss which are based on significant unobservable inputs (Level 3) • valuation of interests in associates and joint ventures • IT systems and controls over financial reporting • estimation of tax payable relating to tax uncertainties • recognition of performance fees and fee income. These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. The key audit matters identified below only relate to the audit of the Consolidated Entity, unless otherwise stated below.

Key audit matter	How our audit addressed the key audit matter
Expected credit loss (ECL) allowance on loan assets (Refer to Note 13)	
Under the credit impairment model required by AASB 9: Financial Instruments (AASB 9), losses are recognised on an Expected Credit Loss (ECL) basis. ECLs are required to incorporate forward-looking information, reflecting the Consolidated Entity's view of potential future economic scenarios. The level of estimation uncertainty and judgement has remained high during the year ended 31 March 2025 as a result of uncertainties in the macroeconomic and geopolitical environment, as well as developments in the global economy more broadly. In order to meet the requirements of AASB 9, the Consolidated Entity's model, to determine the ECL allowance on loan assets, incorporates assumptions such as determining when a significant increase in credit risk (SICR) has occurred. In addition, judgemental overlays are applied to the modelled ECL allowance. Specific provisions are also recognised by the Consolidated Entity for individual loan assets which are impaired at the reporting date. Given the level of estimation uncertainty and the extent of judgement involved we consider this a key audit matter.	Our audit procedures, amongst others, included assessing the design and testing the operating effectiveness of certain controls supporting the Consolidated Entity's estimate of the ECL allowance including controls relating to: • review and challenge of certain forward-looking macroeconomic assumptions and scenario weightings • monitoring the effectiveness of models used to support ECL estimates, and the validation of new and revised models • assessing the credit quality of counterparties • accuracy of certain critical data elements used in key ECL models, and • review and challenge forums to assess the ECL output and post model overlays. In addition to controls testing, we performed substantive procedures together with our PwC credit modelling experts, including: • assessing the appropriateness of relevant conclusions reached by the Consolidated Entity from monitoring performed on key models. This included assessing key model components such as SICR and reperforming certain tests carried out as part of the model monitoring • testing the appropriateness of a selection of changes to key models • assessing whether the list of critical data elements identified by the Consolidated Entity was appropriate for key models. We also performed the following other substantive procedures, amongst others, including: • together with PwC economics experts, assessing the appropriateness of relevant macroeconomic scenarios and certain forward-looking economic data developed by the Consolidated Entity • testing the completeness and accuracy of certain critical data elements used in key ECL models • For credit impaired loan (stage III) provisions, we examined a sample of individual loan exposures to consider the appropriateness of provisions recognised • assessing a selection of post model overlays identified by the Consolidated Entity, including developing an understanding of the methodology used for overlay derivation and testing the underlying datasets used for the calculations, and • considering the impacts on the ECL events occurring subsequent to balance date. We assessed the reasonableness of the Consolidated Entity's disclosures in the financial report against the Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Valuation of complex or illiquid assets and liabilities carried at fair value through profit and loss which are based on significant unobservable inputs (Level 3) (Refer to Note 38)	
The Consolidated Entity applies judgement when determining the fair value of certain assets and liabilities, particularly when significant unobservable inputs are involved. These are referred to as level 3 assets and liabilities. For the Consolidated Entity, Level 3 assets and liabilities predominantly consist of derivatives, trading assets, financial investments and loan assets. Estimating the fair value of these assets and liabilities involves judgement in determining suitable models and assumptions, including the use of significant unobservable inputs. Given the extent of the judgement involved, in valuing these Level 3 assets and liabilities, we considered this to be a key audit matter.	Our procedures, amongst others, involved assessing the design and testing the operating effectiveness of certain controls relating to the valuation of Level 3 assets and liabilities, including controls over: • the validation and approval of the valuation models used, including their ongoing appropriateness • the independent price verification process performed over the assumptions and significant unobservable inputs used in the valuation of Level 3 assets and liabilities • the appropriateness of certain assumptions used in the valuation of Level 3 assets and liabilities • the calculation and approval of key valuation adjustments, and • governance, review and challenge forums. Together with PwC valuation experts, we tested the Consolidated Entity's estimate for a sample of Level 3 derivatives and trading assets. We also considered a sample of collateral disputes, gains and losses on disposals and other events to help assess the reasonableness of these valuations. Further, we tested a sample of valuation adjustments at period end, including evaluating the methodology applied and the underlying assumptions. For a sample of Level 3 financial investments and loan assets, together with PwC valuation experts we assessed the appropriateness of the valuation methodologies applied, as well as the appropriateness and accuracy of significant unobservable inputs and assumptions used such as forecasts and comparable market information. We assessed the reasonableness of the Consolidated Entity's disclosures in the financial report against the requirements of Australian Accounting Standards.
Valuation of interests in associates and joint ventures (Refer to Note 14)	
In accordance with Australian Accounting Standards, interests in associates and joint ventures need to be assessed by the Consolidated Entity for indicators of impairment or reversal of impairment at the reporting date. If indicators of impairment or reversal of impairment exist, the recoverable amount for each asset needs to be estimated. The assessments of recoverable amount involve significant judgements such as estimating future cash flows, discount rates applied to future cash flows and evaluating fair value less costs to sell. Given the extent of judgement involved and financial significance of the Consolidated Entity's recorded interests in associates and joint ventures, we considered this to be a key audit matter.	We evaluated the Consolidated Entity's valuation methodologies used to estimate the recoverable amount for a sample of interests in associates and joint ventures and the process by which they were developed. For a sample of associates and joint ventures selected, our evaluation included a combination of some or all of, the following procedures: • assessing the design and testing the operating effectiveness of controls relating to the appropriateness of the impairment assessment methodology and significant assumptions applied in calculating the recoverable amount, where indicators of impairment or reversal of impairment have been identified • evaluating the Consolidated Entity's assessment of whether there were any indicators of impairment or whether impairment losses recognised in prior periods should be reversed. For a sample of investments in associates and joint ventures, our procedures, amongst others, included: • where indicators of impairment or reversal of impairment exist, evaluating the appropriateness of the impairment assessment methodology and significant assumptions applied in calculating the recoverable amount • comparing previous cashflow forecasts to actual results, or comparing previous net asset values to audited financial statements to assess the ability of the Consolidated Entity to forecast accurately • assessing accuracy and appropriateness of certain underlying data and assumptions used in determining the carrying value and recoverable amount, and • testing the mathematical accuracy of the Consolidated Entity's discounted cashflow models which were used to determine the recoverable amount of the asset. We assessed the reasonableness of the Consolidated Entity's disclosures in the financial report against the requirements of the Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
IT systems and controls over financial reporting (Consolidated Entity and Company)	
The Consolidated Entity's and Company's operations and financial reporting processes are heavily dependent on IT systems for the processing and recording of a significant volume of transactions. A fundamental component of these IT systems and controls is ensuring that risks in relation to inappropriate user access management, unauthorised program changes and IT operating protocols are managed. Due to this, we consider the operation of IT systems and controls over financial reporting to be a key audit matter.	For material financial statement balances we developed an understanding of the business processes, IT systems used to generate and support those balances and associated IT application controls and IT dependencies in manual controls. Our procedures, amongst others, included evaluating the design and testing the operating effectiveness of certain controls over the continued integrity of certain IT systems that are relevant to financial reporting. This involved assessing, where relevant to the audit: • change management: the processes and controls used to develop, test and authorise changes to the functionality and configurations within systems • system development: the project disciplines which ensure that significant developments or implementation are appropriately tested before implementation and that data is migrated/converted and transferred completely and accurately • security: the access controls designed to enforce segregation of duties, govern the use of generic and privileged accounts or ensure that data is only changed through authorised means, and • IT operations: the controls over operations are used to ensure that any issues that arise are managed appropriately. Within the scope of our audit where technology services are provided by a third party, we obtained assurance through independent testing or, where available, considered assurance reports from the third party's auditor on the design and operating effectiveness of relevant controls for the reporting period. We also carried out tests, on a sample basis, of IT application controls and IT dependencies in manual controls that were key to our audit testing in order to assess the accuracy of certain system calculations, the generation of certain reports and the operation of certain system enforced access controls. Where we identified design or operating effectiveness matters relating to IT systems or application controls relevant to our audit, we performed alternative or additional audit procedures, which included considering mitigating controls in order to respond to the impact on our overall audit approach.
Estimation of tax payable relating to tax uncertainties (Refer to Note 23)	
The Consolidated Entity is subject to taxation in a number of jurisdictions. The assessment of the amounts expected to be paid to tax authorities is considered initially by the Consolidated Entity in each local territory, and then reviewed centrally, with consideration given to particular tax positions in certain jurisdictions. In some cases, the treatment of certain tax positions requires judgement to estimate the ultimate amounts that will be paid to tax authorities, which resulted in us considering this to be a key audit matter.	Our procedures, amongst others, included evaluating the analysis conducted by the Consolidated Entity which sets out the basis for judgements made in respect of the ultimate amounts expected to be paid to tax authorities. Assisted by PwC tax experts, we read a risk focused selection of correspondence with tax authorities and external advice obtained by the Consolidated Entity and used our understanding of the business to assess the completeness and quantum of the provisions for tax. We considered the likelihood of additional tax exposures occurring based on our knowledge of tax legislation, applicable precedent and industry developments, noting the level of judgement involved. We assessed the reasonableness of the Consolidated Entity's disclosures in the financial report against the requirements of the Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Recognition of performance fees and fee income (Refer to Note 2)	
In accordance with the requirements of Australian Accounting Standards the Consolidated Entity is required to apply judgement in estimating the timing and amount of fee income and performance fees recognised. In the case of performance fees the Consolidated Entity recognises fees only when it is highly probable that the performance hurdles are met, and a significant reversal of cumulative fees recognised to date will not occur. Determining the amount and timing of performance fees to be recognised involves judgement and the use of estimates, such as the underlying asset values, when determining the level of performance fee to recognise. In the case of fee income, the Consolidated Entity recognises the income at a point in time and when it has been established that the customer has received the benefit of the service, such that the performance obligation is satisfied. There is judgement in determining when these performance obligations are satisfied. Given the extent of the judgement involved, we consider the recognition of performance fees and fee income to be a key audit matter.	Our audit procedures, amongst others, included evaluating the design and testing the operating effectiveness of relevant controls relating to the recognition and measurement of fee income and performance fees. In assessing the appropriateness of the recognition of performance fees, we tested the Consolidated Entity's estimate for a sample of fees. We considered the nature of the underlying funds' assets, the proportion of assets already realised, the returns on the assets realised to date and the potential for volatility in the valuation of the remaining unrealised assets. In assessing the appropriateness of timing of recognition of fee income, we evaluated management's assessment of whether substantive conditions precedent to completing the transactions were met for a sample of fee income transactions by testing these fee amounts based on supporting documentation including contracts, cash receipts and correspondence with counterparties. We assessed the reasonableness of the Consolidated Entity's disclosures in the financial report against the requirements of the Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 March 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* (Cth), including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company and the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 31 March 2025.

In our opinion, the remuneration report of Macquarie Group Limited for the year ended 31 March 2025 complies with section 300A of the *Corporations Act 2001* (Cth).

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001* (Cth). Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

V. Papageorgiou

Voula Papageorgiou
Partner

Sydney
9 May 2025

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05

Further Information

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.


Aesthetics
Architecture

Additional investor information

Shareholder calendar

2025

Date	Event
9 May	Full-year result announcement
19 May	Ex-dividend date for final ordinary dividend
20 May	Record date for final ordinary dividend
10 June	Payment date for BCN3 distribution
10 June	Payment date for MCN4 distribution
12 June	Payment date for MCN6 distribution
16 June	Payment date for MCN7 distribution
18 June	Payment date for MCN5 distribution
23 June	Payment date for BCN2 distribution
2 July	Payment date for final ordinary dividend
24 July	AGM
8 September	Payment date for BCN3 distribution
10 September	Payment date for MCN4 distribution
12 September	Payment date for MCN6 distribution
15 September	Payment date for MCN7 distribution
18 September	Payment date for MCN5 distribution
22 September	Payment date for BCN2 distribution
30 September	Financial half-year end
7 November[1]	Half-year result announcement
17 November[1]	Ex-dividend date for interim ordinary dividend
18 November[1]	Record date for interim ordinary dividend
8 December	Payment date for BCN3 distribution
10 December	Payment date for MCN4 distribution
12 December	Payment date for MCN6 distribution
15 December	Payment date for MCN7 distribution
17 December[1]	Payment date for interim ordinary dividend
18 December	Payment date for MCN5 distribution
22 December	Payment date for BCN2 distribution

2026

Date	Event
9 March	Payment date for BCN3 distribution
10 March	Payment date for MCN4 distribution
12 March	Payment date for MCN6 distribution
16 March	Payment date for MCN7 distribution
18 March	Payment date for MCN5 distribution
23 March	Payment date for BCN2 distribution
31 March	Financial year end

2025 Annual General Meeting

Macquarie Group Limited's 2025 AGM will be held at 10:30am on Thursday, 24 July 2025. Details of the meeting will be sent to shareholders separately.

The closing date for the receipt of nominations from persons wishing to be considered for election as a director is Wednesday, 21 May 2025.

Dividend details

MGL generally pays a dividend on its fully paid ordinary shares twice a year following the interim and final results announcements. The proposed dates for the 2025 calendar year are in the calendar opposite.

Dividend Reinvestment Plan (DRP)

The DRP allows shareholders to apply their dividends to acquire new MGL ordinary shares rather than receiving dividends in cash.

Stock exchange listing

Equity or hybrid security	Stock exchange listing	Trading code
Macquarie Group Limited Securities		
MGL ordinary shares	ASX	MQG
Macquarie Group Capital Notes 4 (MCN4)	ASX	MQGPD
Macquarie Group Capital Notes 5 (MCN5)	ASX	MQGPE
Macquarie Group Capital Notes 6 (MCN6)	ASX	MQGPF
Macquarie Group Capital Notes 7 (MCN7)	ASX	MQGPG
Macquarie Bank Limited Convertible Securities		
Macquarie Bank Capital Notes 2 (BCN2)	ASX	MBLPC
Macquarie Bank Capital Notes 3 (BCN3)	ASX	MBLPD
Macquarie Additional Capital Securities (MACS)	SGX	6F6B

MGL also has debt securities quoted on the London Stock Exchange, SGX, SIX Swiss Exchange Ltd and Taipei Exchange.

On-market buy-back

As announced to ASX on 3 November 2023, Macquarie intends to buy-back up to $A2.0 billion of its ordinary shares under the current on-market buy-back. As of 31 March 2025, Macquarie has purchased $A1.01 billion of ordinary shares under the buy-back.

Equity and hybrid securities

The following information is correct as at 31 March 2025.

[1] These dates are subject to change.

Macquarie Group Limited securities

Fully paid ordinary shares

Voting rights

At meetings of members or classes of members, each member holding ordinary shares may vote in person or by proxy, attorney or (if the member is a body corporate) corporate representative. On a show of hands, every person present who is a member or a proxy, attorney or corporate representative of a member has one vote and on a poll every member present in person or by proxy, attorney or corporate representative has:

- one vote for each fully paid share held by the member, and
- that proportion of a vote for any partly paid ordinary share calculated in accordance with article 8.18 of the MGL Constitution.

20 largest holders

Registered holder	Number of ordinary shares held	% of ordinary shares
HSBC Custody Nominees (Australia) Limited	113,260,591	29.72
J P Morgan Nominees Australia Pty Limited	69,304,830	18.18
Citicorp Nominees Pty Limited	33,403,830	8.76
Bond Street Custodians Limited <MEREP Allocated A/C>	12,358,855	3.24
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	9,371,198	2.46
Bond Street Custodians Limited <MEREP Trustee-Unalloc A/C>	4,199,898	1.10
National Nominees Limited	4,033,382	1.06
BNP Paribas Noms Pty Ltd	3,327,280	0.87
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	3,073,218	0.81
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	2,564,382	0.67
Argo Investments Limited	2,563,905	0.67
Bond Street Custodians Limited <Solium Nominees Aus A/C>	2,287,394	0.60
Netwealth Investments Limited <Wrap Services A/C>	2,222,398	0.58
Australian Foundation Investment Company Limited	1,786,967	0.47
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	1,396,564	0.37
HSBC Custody Nominees (Australia) Limited	1,001,799	0.26
Aljebra Pty Ltd <Aljebra Investment A/C>	993,379	0.26
HSBC Custody Nominees (Australia) Limited - A/C 2	967,791	0.25
Custodial Services Limited <Beneficiaries Holding A/C>	849,092	0.22
Washington H Soul Pattinson and Company Limited	758,129	0.20
Total	**269,724,882**	**70.75**

Substantial shareholders

The following holders are registered by MGL as a substantial shareholder, having declared a relevant interest in accordance with the Act, in the voting shares:

Registered holder	Number of ordinary shares held
Macquarie Group Limited	27,719,351
State Street Corp	27,080,446
Blackrock Group	22,929,594
Vanguard	19,483,841

Spread of shareholdings

Range	Number of shareholders	Number of shares	% of shares
1 to 1,000	200,267	41,621,450	10.92
1,001 to 5,000	20,138	38,202,615	10.02
5,001 to 10,000	1,243	8,427,179	2.21
10,001 to 100,000	570	12,962,272	3.40
100,001 and over	56	279,924,899	73.44
Total	**222,274**	**381,138,415**	**100.00**

There were 2,012 shareholders (representing 2,622 shares) who held less than a marketable parcel.

Additional investor information

Continued

Macquarie Group Capital Notes 4 (MCN4)

Voting rights

MCN4 are unsecured, subordinated notes issued by MGL that may be exchanged for MGL ordinary shares in certain limited circumstances. They are non-cumulative and mandatorily convertible. MCN4 holders have no voting rights in respect of meetings of members of MGL in the absence of such an exchange.

20 largest holders

Registered holder	Number of MCN4 held	% of MCN4
HSBC Custody Nominees (Australia) Limited	577,984	6.38
BNP Paribas Nominess Pty Ltd <HUB24 Custodial Serv Ltd>	342,087	3.78
Netwealth Investments Limited <Wrap Services A/C>	308,957	3.41
J P Morgan Nominees Australia Pty Limited	147,972	1.63
Citicorp Nominees Pty Limited	147,206	1.63
Dimbulu Pty Ltd	100,000	1.10
Mutual Trust Pty Ltd	99,888	1.10
Netwealth Investments Limited <Super Services A/C>	72,115	0.80
BNP Paribas Nominees Pty Ltd <Pitcher Partners>	66,533	0.73
John E Gill Trading Pty Ltd	65,000	0.72
IOOF Investment Services Limited <IPS Superfund A/C>	64,115	0.71
IOOF Investment Services Limited <IOOF IDPS A/C>	58,427	0.65
HSBC Custody Nominees (Australia) Limited – A/C 2	47,228	0.52
Invia Custodian Pty Limited <WEHI - Investment Pool A/C>	42,840	0.47
National Nominees Ltd	39,535	0.44
JDB Services Pty Ltd <RAC & JD Brice Invest A/C>	32,967	0.36
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	30,394	0.34
Baird Group Pty Limited	25,300	0.28
Pendant Realty Pty Ltd	25,000	0.28
Sneath & King Pty Ltd <Sneath & King S/F A/C>	25,000	0.28
Total	**2,318,548**	**25.61**

Spread of noteholdings

Range	Number of MCN4 holders	Number of MCN4	% of MCN4
1–1,000	9,670	3,435,855	37.94
1,001–5,000	1,101	2,261,330	24.97
5,001–10,000	91	671,458	7.42
10,001–100,000	41	1,162,061	12.83
100,001 notes and over	5	1,524,206	16.83
Total	**10,908**	**9,054,910**	**100.00**

There was 1 noteholder (representing 1 note) who held less than a marketable parcel.

Macquarie Group Capital Notes 5 (MCN5)

Voting rights

MCN5 are unsecured, subordinated notes issued by MGL that may be exchanged for MGL ordinary shares in certain limited circumstances. They are non-cumulative and mandatorily convertible. MCN5 holders have no voting rights in respect of meetings of members of MGL in the absence of such an exchange.

20 largest holders

Registered holder	Number of MCN5 held	% of MCN5
HSBC Custody Nominees (Australia) Limited	452,530	6.24
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	450,629	6.21
Netwealth Investments Limited <Wrap Services A/C>	185,910	2.56
Mutual Trust Pty Ltd	91,997	1.27
IOOF Investment Services Limited <IPS Superfund A/C>	86,454	1.19
BNP Paribas Nominees Pty Ltd <Pitcher Partners>	81,408	1.12
Dimbulu Pty Ltd	55,000	0.76
IOOF Investment Services Limited <IOOF IDPS A/C>	54,297	0.75
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	52,659	0.73
Netwealth Investments Limited <Super Services A/C>	44,846	0.62
J P Morgan Nominees Australia Pty Limited	44,439	0.61
National Nominees Limited	42,130	0.58
HSBC Custody Nominees (Australia) Limited – A/C 2	39,567	0.55
Federation University Australia	37,276	0.51
Citicorp Nominees Pty Limited	31,784	0.44
HSBC Custody Nominees (Australia) Limited-GSI EDA	30,000	0.41
Oak Point Golf Club Ltd	25,424	0.35
Corp of the Tstees of the Roman Cath Arc	25,000	0.34
Leda Holdings Pty Ltd	24,000	0.33
Regents Garden Lake Joondalup Pty Ltd	18,000	0.25
Total	**1,873,350**	**25.82**

Spread of noteholdings

Range	Number of MCN5 holders	Number of MCN5	% of MCN5
1–1,000	8,673	2,948,104	40.64
1,001–5,000	915	1,895,394	26.13
5,001–10,000	50	369,270	5.09
10,001–100,000	30	952,563	13.13
100,001 notes and over	3	1,089,069	15.01
Total	**9,671**	**7,254,400**	**100.00**

There were 2 noteholders (representing 3 notes) who held less than a marketable parcel.

Additional investor information

Continued

Macquarie Group Capital Notes 6 (MCN6)

Voting rights

MCN6 are unsecured, subordinated notes issued by MGL that may be exchanged for MGL ordinary shares in certain limited circumstances. They are non-cumulative and mandatorily convertible. MCN6 holders have no voting rights in respect of meetings of members of MGL in the absence of such an exchange.

20 largest holders

Registered holder	Number of MCN6 held	% of MCN6
HSBC Custody Nominees (Australia) Limited	596,614	7.95
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	423,742	5.65
Netwealth Investments Limited <Wrap Services A/C>	314,827	4.20
J P Morgan Nominees Australia Pty Limited	118,546	1.58
BNP Paribas Nominees Pty Ltd <Pitcher Partners>	110,065	1.47
Netwealth Investments Limited <Super Services A/C>	85,134	1.14
Citicorp Nominees Pty Limited	71,779	0.96
BNP Paribas Noms Pty Ltd	70,000	0.93
Dimbulu Pty Ltd	60,000	0.80
John E Gill Trading Pty Ltd	50,000	0.67
IOOF Investment Services Limited <IPS Superfund A/C>	48,349	0.64
Mrs Shane Carolyn Gluskie	47,023	0.63
Mutual Trust Pty Ltd	43,950	0.59
HSBC Custody Nominees (Australia) Limited – A/C 2	35,669	0.48
Bennyco Holdings Pty Ltd <Bennyco Holdings A/C>	31,795	0.42
IOOF Investment Services Limited <IOOF IDPS A/C>	31,255	0.42
D F 4 Pty Ltd	23,790	0.32
Berne No 132 Nominees Pty Ltd <684168 A/C>	20,000	0.27
National Nominees Limited	19,650	0.26
Bardavis Pty Limited <Thomas Davis Family A/C>	18,990	0.25
Total	**2,221,178**	**29.63**

Spread of noteholdings

Range	Number of MCN6 holders	Number of MCN6	% of MCN6
1–1,000	6,608	2,672,829	35.64
1,001–5,000	957	1,996,510	26.62
5,001–10,000	59	403,055	5.37
10,001–100,000	30	863,812	11.52
100,001 notes and over	5	1,563,794	20.85
Total	**7,659**	**7,500,000**	**100.00**

There was 1 noteholder (representing 1 note) who held less than a marketable parcel.

Macquarie Group Capital Notes 7 (MCN7)

Voting rights

MCN7 are unsecured, subordinated notes issued by MGL that may be exchanged for MGL ordinary shares in certain limited circumstances. They are non-cumulative and mandatorily convertible. MCN7 holders have no voting rights in respect of meetings of members of MGL in the absence of such an exchange.

20 largest holders

Registered holder	Number of MCN7 held	% of MCN7
HSBC Custody Nominees (Australia) Limited	1,214,947	8.10
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	644,915	4.30
Netwealth Investments Limited <Wrap Services A/C>	331,926	2.21
Citicorp Nominees Pty Limited	261,656	1.74
J P Morgan Nominees Australia Pty Limited	259,457	1.73
Mutual Trust Pty Ltd	187,383	1.25
IOOF Investment Services Limited <IPS Superfund A/C>	145,777	0.97
HSBC Custody Nominees (Australia) Limited – A/C 2	135,246	0.90
BNP Paribas Nominees Pty Ltd <Pitcher Partners>	123,236	0.82
BNP Paribas Noms Pty Ltd	84,535	0.56
Netwealth Investments Limited <Super Services A/C>	79,786	0.53
Dimbulu Pty Ltd	50,000	0.33
IOOF Investment Services Limited <IOOF IDPS A/C>	47,277	0.32
Farren-Price Family Pty Ltd	44,300	0.30
Higham Hill Pty Ltd	39,990	0.27
Astrid Enterprises Pty Ltd <P B Industrial A/C>	37,985	0.25
Invia Custodian Pty Limited <A/M Unit A/C>	32,600	0.22
Certane CT Pty Ltd <Charitable Foundation>	30,069	0.20
Kadoo Pty Limited <B & D Family A/C>	30,059	0.20
Harbig Properties Pty Ltd	30,000	0.20
Total	**3,811,144**	**25.40**

Spread of noteholdings

Range	Number of MCN7 holders	Number of MCN7	% of MCN7
1 to 1,000	11,563	4,668,971	31.13
1,001 to 5,000	2,045	4,342,286	28.95
5,001 to 10,000	175	1,243,072	8.29
10,001 to 100,000	67	1,441,128	9.61
100,001 notes and over	9	3,304,543	22.03
Total	**13,859**	**15,000,000**	**100.00**

There were 2 noteholders (representing 6 notes) who held less than a marketable parcel.

Additional investor information

Continued

Macquarie Bank Limited convertible securities

Macquarie Additional Capital Securities (MACS)

Voting rights

MACS are unsecured subordinated notes issued by MBL, acting through its London Branch, that may be exchanged for MGL ordinary shares in certain limited circumstances. MACS holders have no voting rights in respect of meetings of members of MBL and have no voting rights in respect of meetings of members of MGL in the absence of such an exchange.

Single Shareholder

As at 31 March 2025, the $US750 million of MACS were held by one holder, Cede & Co, as authorised representative for the Depository Trust Company being the common depository for the MACS global security. The Bank of New York Mellon as Registrar keeps the register in respect of MACS.

Macquarie Bank Capital Notes 2 (BCN2)

BCN2 are unsecured, subordinated notes issued by MBL that may be exchanged for MGL ordinary shares in certain limited circumstances. They are non-cumulative and mandatorily convertible. BCN2 holders have no voting rights in respect of MBL and have no voting rights in respect of meetings of members of MGL in the absence of such an exchange. As at 31 March 2025, there were 6,410,270 BCN2 on issue held by 9,549 registered holders.

Macquarie Bank Capital Notes 3 (BCN3)

BCN3 are unsecured, subordinated notes issued by MBL that may be exchanged for MGL ordinary shares in certain limited circumstances. They are non-cumulative and mandatorily convertible. BCN3 holders have no voting rights in respect of MBL and have no voting rights in respect of meetings of members of MGL in the absence of such an exchange. As at 31 March 2025, there were 6,548,480 BCN3 on issue held by 7,668 registered holders.

Unlisted securities

The following information is correct as at 31 March 2025.

MEREP

4,167,196 DSUs are held by 725 participants and 529,204 PSUs are held by 12 participants in the MEREP.

American Depository Receipt (ADR) program

Macquarie ADRs are negotiable certificates issued by The Bank of New York Mellon (BNY), with one ADR representing one MGL ordinary share. They are traded under the symbol MQBKY and are classified as Level 1. They are not listed on any exchange and are only traded over-the-counter via brokers.

Enquiries can be directed to:

BNY Shareowner Services
PO Box 43006
Providence, RI 02940 USA

Toll-free telephone number for domestic callers:
1 888 BNY ADRs (+1 888 269 2377)

Telephone number for international callers:
+1 201 680 6825

Further information can be found at:
adrbny.com/resources/individual-investors

Enquiries

Investors who wish to enquire about any administrative matter relating to their MGL shareholding, MCN4, MCN5, MCN6, MCN7, BCN2 or BCN3 security holding are invited to contact the Share Registry at:

MUFG Corporate Markets (AU) Limited
Liberty Place, Level 41, 161 Castlereagh Street
Sydney NSW 2000 Australia

All other enquiries relating to an MGL share investment can be directed to:

Investor relations

Macquarie Group Limited
Level 1, 1 Elizabeth Street
Sydney NSW 2000 Australia

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Glossary

Defined term	Definition
A	
AASB	Australian Accounting Standards Board
Accountable Person	Accountable Person under the Financial Accountability Regime (FAR)
the Act	*Corporations Act 2001* (Cth)
ADI	Authorised Deposit-taking Institution
ADR	American Depository Receipt
AEC	Australian Electoral Commission
AGM	Annual General Meeting
All Ords Index	All Ordinaries Accumulation Index
ALCO	Asset and Liability Committee
Annual Report	MGL's 2025 Annual Report
ANZ	Australia and New Zealand
APRA	Australian Prudential Regulation Authority
ARRs	alternative reference rates
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange or ASX Limited ABN 98 008 624 691 and the market operated by ASX Limited
AUM	assets under management
B	
BAC	Board Audit Committee
Bank Group	MBL and its subsidiaries
Banking Activities	comprises BFS and most business activities of CGM
BBSW	Australian Financial Markets Association's bank-bill rate published daily on AAP Reuters website. The Australian equivalent of LIBOR, SIBOR, etc.
BCBS	Basel Committee on Banking Supervision
BCN2	Macquarie Bank Capital Notes 2
BCN3	Macquarie Bank Capital Notes 3
BEAR	Banking Executive Accountability Regime
BFS	Banking and Financial Services Group
BGCC	Board Governance and Compliance Committee
BNC	Board Nominating Committee
the Board, Macquarie Board	the Board of Voting Directors of Macquarie Group Limited
BONDs	Bank-only Non-Executive Directors
BRC	Board Remuneration Committee
BRiC	Board Risk Committee
Businesses	the areas within the Operating Groups carrying out various operations
C	
CAGR	compound annual growth rate
CCB	capital conservation buffer
Central Service Groups	the Central Service Groups consist of RMG, LGG, FPE and COG
CEO	Managing Director and Chief Executive Officer
CFLI	Climate Finance Leadership Initiative
CFO	Chief Financial Officer
CGM	Commodities and Global Markets Group
Clawback	the Board's ability to recover (in whole or in part) vested profit share

Defined term	Definition
COG	Corporate Operations Group
the Collection	the Macquarie Group Collection
the Company, MGL	Macquarie Group Limited ABN 94 122 169 279
Comparable Executive Key Management Personnel (Comparable Executive KMP)	Executive Key Management Personnel who were members of the Executive Committee for the full year in both FY2025 and FY2024
Conduct Risk	the risk of behaviour, action or omission by individuals employed by, or on behalf of, Macquarie or taken collectively in representing Macquarie that may have a negative outcome for our clients, counterparties, the communities and markets in which we operate, our staff, or Macquarie
The Consolidated Entity, Macquarie	MGL and its subsidiaries
Corporate	Head office and Central Service Groups including Group Treasury
CPS 511	APRA Prudential Standard CPS 511 *Remuneration*
CRO	Chief Risk Officer
D	
Deed	Deed of Access, Indemnity, Insurance
Deed Poll	Indemnity and Insurance Deed Poll dated 12 September 2007
DFVTPL	designated as FVTPL
Directors	the Voting Directors of MGL (unless the context indicates otherwise)
Divisions	named divisions within Macquarie
DLP	Director Leadership Program
DPS Plan	Directors' Profit Share Plan
DRP	Dividend Reinvestment Plan
DSU	Deferred Share Unit issued under the MEREP
E	
EAD	exposure at default
ECAM	Economic Capital Adequacy Model
ECL	expected credit loss
EDLP	Executive Director Leadership Program
EIR	effective interest rate
EMEA	Europe, Middle East and Africa
ENGs	Employee Network Groups
EPS	earnings per share
ESP	Macquarie Group Employee Share Plan
ESG	Environmental, Social and Governance
ESR	Environmental and Social Risk
EU	the European Union
EURIBOR	Euro Inter-bank Offered Rate
EV	electric vehicle
Executive Committee	the committee typically comprises the CEO and heads of the Operating Groups and Central Service Groups

Defined term	Definition
Executive Director, EDs	Macquarie's most senior level of employee including Group Heads, Division Heads and senior business unit managers
Executive Key Management Personnel (Executive KMP)	members of the Executive Committee of MGL
Executive	an executive Board member
F	
FAR	Financial Accountability Regime
FCTR	foreign currency translation reserve
FLI	forward looking information
the Foundation	Macquarie Group Foundation
FPE	Financial Management, People and Engagement
FRN	floating rate notes
FVA	funding valuation adjustment
FVOCI	fair value through other comprehensive income
FVTPL	fair value through profit or loss
G	
GDP	gross domestic product
GFANZ	Glasgow Financial Alliance for Net Zero
GGC	Group General Counsel
GHG	greenhouse gas
GIG	Green Investment Group
GRI	Global Reporting Initiative
Group Head	the Head of a particular Operating or Central Service Group
GST	Goods and Services Tax
GRESB assessment	captures information regarding ESG performance and sustainability best practices for real estate and infrastructure funds, companies and assets worldwide
GW	gigawatt
GWh	gigawatt hours
H–J	
HFT	held for trading
HyCC	Hydrogen Chemistry Company
IAD	Internal Audit Division
IASB	International Accounting Standards Board
IBOR	Interbank-offered rates
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
Independent Directors	independent Voting Directors of the Board
ISSB	International Sustainability Standards Board
K	
Key Management Personnel (KMP)	all Voting Directors and members of the Executive Committee of MGL
L	
LGBTQ+	Lesbian Gay Bisexual Transgender and Queer
LGG	Legal and Governance Group
LIBOR	London Inter-bank Offered Rate
LMI	lenders mortgage insurance
LNG	liquid natural gas
Loss Given Default (LGD) Estimate	Macquarie's estimated economic loss should a counterparty default occur

Defined term	Definition
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
M	
M&A	mergers and acquisitions
Macquarie Bank, MBL	Macquarie Bank Limited ABN 46 008 583 542
Macquarie, the Consolidated Entity	MGL and its subsidiaries
Macquarie Nominee Director	a person who is appointed by a member of the Macquarie Group as a director to a board or board committee of a company
MACS	Macquarie Additional Capital Securities
MAF	Macquarie AirFinance Limited
Malus	the ability of the Board or its delegate to reduce or eliminate unvested profit share for certain senior employees in certain circumstances
MAM	Macquarie Asset Management Group
MAMH	Macquarie Asset Management Holdings Pty Limited ABN 84 134 474 712
Management	Division Directors and Executive Directors who have management or risk responsibility for a Division or business area
MCN3	Macquarie Group Capital Notes 3
MCN4	Macquarie Group Capital Notes 4
MCN5	Macquarie Group Capital Notes 5
MCN6	Macquarie Group Capital Notes 6
MCN7	Macquarie Group Capital Notes 7
MEREP	Macquarie Group Employee Retained Equity Plan
MFL	Macquarie Financial Limited
MGL ordinary shares, MQG	MGL fully paid ordinary shares
MGL, the Company	Macquarie Group Limited ABN 94 122 169 279
MRTs	Material Risk Takers under UK or EU regulatory requirements
MSCI Index	Morgan Stanley Capital International World Capital Markets Index
N	
NCD	negotiable certificates of deposit
NCI	non-controlling interests
NED	Non-Executive Director
NIFO	net investment in foreign operations
NOHC	Non-Operating Holding Company
Non-Bank Group	MGL, MFL and its subsidiaries, MAMH and its subsidiaries
Non-Banking Activities	comprises Macquarie Capital, MAM and some business activities of CGM
NPAT	net profit after tax
NZBA	Net Zero Banking Alliance
O	
OCI	other comprehensive income
Operating Groups	the Operating Groups consist of BFS, CGM, Macquarie Capital and MAM

Glossary

Continued

Defined term	Definition
Operationally Segregated Subsidiaries, OSS	the operations of some controlled subsidiaries are "segregated" from the rest of Macquarie, and a tailored Risk Management Framework may be adopted
OTC	over-the-counter
P	
PD	probability of default
Probability of Default (PD) Estimate	an estimate of the likelihood of the rated entity defaulting on its financial obligations to Macquarie over the period of a year and should look 'through the cycle' – i.e. represent the probability of default in natural economic conditions
PSU	Performance Share Unit issued under the MEREP
PwC	PricewaterhouseCoopers
Q–R	
RAP	Reconciliation Action Plan
RAS	Risk Appetite Statement
RBA	Reserve Bank of Australia
RE100	global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity
RMG	Risk Management Group
ROE	return on equity
ROTE	return on tangible equity
ROU	right-of-use
RSU	Restricted Share Unit issued under the MEREP
S	
SASB	Sustainability Accounting Standards Board
Senior Executive	Macquarie's combined Division Director and Executive Director population
Scope 1	emissions released to the atmosphere as a direct result of an activity, or series of activities controlled by an organisation. For example, emissions from natural gas and diesel usage in corporate offices
Scope 2	indirect emissions released to the atmosphere associated with the generation of purchased or acquired electricity, heating and cooling consumed by the organisation
Scope 3	indirect emissions, other than Scope 2 emissions, that are a consequence of the activities of the company but occur from sources not owned or controlled by the company. For example, emissions associated with employee travel
Senior Management	members of the Executive Committee of MGL and Executive Directors (as relevant) who have a significant management or risk responsibility in the organisation
SEs	structured entities
SGX	Singapore Stock Exchange
SICR	significant increase in credit risk
SPPI	solely payment of principal and interest

Defined term	Definition
T	
TCFD	Financial Stability Board's Task Force on Climate-related Financial Disclosures
tCO_2-e (Carbon dioxide equivalent in tonnes)	metric measure used to compare the emissions from various greenhouse gases based upon their global warming potential (US Environment Protection Agency)
TSR	total shareholder return
U–V	
VaR	Value-at-Risk
Voting Directors	the Voting Directors of MGL as defined in the MGL Constitution
W–Z	
WHS	Work Health and Safety

Disclaimer

This Annual Report contains forward-looking statements and metrics — 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, risk management practices, targets, estimates, goals and ambitions. We use words such as "will", "may", "expect", "indicative", "intend", "seek", "would", "should", "could", "continue", "anticipate", "believe", "probability", "risk", "aim", "commitment", "target", "goal", "ambition", "plan", "estimate", "outlook", "forecast", "assumption", "projection", or other similar words to identify forward-looking statements.

Any forward-looking statements in this Annual Report are made as at the date of this Annual Report. 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 Annual Report. Actual results may vary in a materially positive or negative manner. Although Macquarie currently believes it has reasonable grounds to support these forward-looking statements and forecasts, they are subject to uncertainty and contingencies outside Macquarie's control. While Macquarie has prepared the information in this Annual Report based on its current knowledge and in good faith, it reserves the right to change its views in the future.

Other than Macquarie Bank Limited ABN 46 008 583 542, any Macquarie entity noted in this Annual Report is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). That entity's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 and Macquarie Bank Limited ABN 46 008 583 542 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.

Climate-related forward-looking statements

This Annual Report also contains climate-related forward-looking statements relating to climate scenarios, target emissions and emissions intensity pathways and estimated climate projections.

Climate-related forward-looking statements are particularly affected by uncertainties and factors such as:

- Evolving standards, definitions and methodologies.
- Lack of accurate and reliable historical data, especially emissions data.
- Complex calculations, modelling and scenario analysis.
- Changing and uncertain climate-related laws, regulations and policies.

These statements should be read in conjunction with the qualifications and guidance set out above. In addition, this disclaimer should be read together with Macquarie's FY2025 Basis of Preparation for Sustainability Reporting.

Contact details

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Principal Administrative Office

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Sydney NSW 2000
Australia

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Macquarie Group Limited

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