

2026 Management Discussion and Analysis

Macquarie Group | Half year ended 30 September 2025





CoStar, Americas/ANZ

Macquarie Capital advised CoStar Group, a global leading provider of online real estate marketplaces, information and analytics, on its acquisition of Australian property marketplace Domain for an enterprise value of \$A3 billion. Macquarie Capital leveraged its full-service practice, combining its industry and execution expertise, to support a landmark cross-border transaction for CoStar Group.

Notice to readers

The purpose of this report is to provide information supplementary to the Macquarie Group Limited Interim Financial Report (the Financial Report) for the half year ended 30 September 2025, including further detail in relation to key elements of Macquarie Group Limited and its subsidiaries' (Macquarie, the Consolidated Entity) financial performance and financial position. The report also outlines the funding and capital profile of the Consolidated Entity.

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

Date of this report

This report has been prepared for the half year ended 30 September 2025 and is current as at 7 November 2025.

Cover image

Vertelo, Asia

Macquarie Asset Management successfully raised \$US405 million for Vertelo, a platform established by Macquarie and anchored by the Green Climate Fund to help scale India's transition to electric vehicles. Combining catalytic and institutional capital, it demonstrates Macquarie's ability to mobilise capital at scale to address critical climate challenges while delivering value to investors.



Explanatory notes

Comparative information and conventions

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

References to the prior corresponding period (pcp) are to the six months ended 30 September 2024.

References to the prior period are to the six months ended 31 March 2025.

References to the current period and current half year are to the six months ended 30 September 2025.

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

Independent Auditor’s Review Report

This document should be read in conjunction with the Financial Report for the half year ended 30 September 2025, which was subject to independent review by PricewaterhouseCoopers.

PricewaterhouseCoopers’ independent auditor’s review report to the members of Macquarie Group Limited dated 7 November 2025 was unqualified.

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

Disclaimer

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

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

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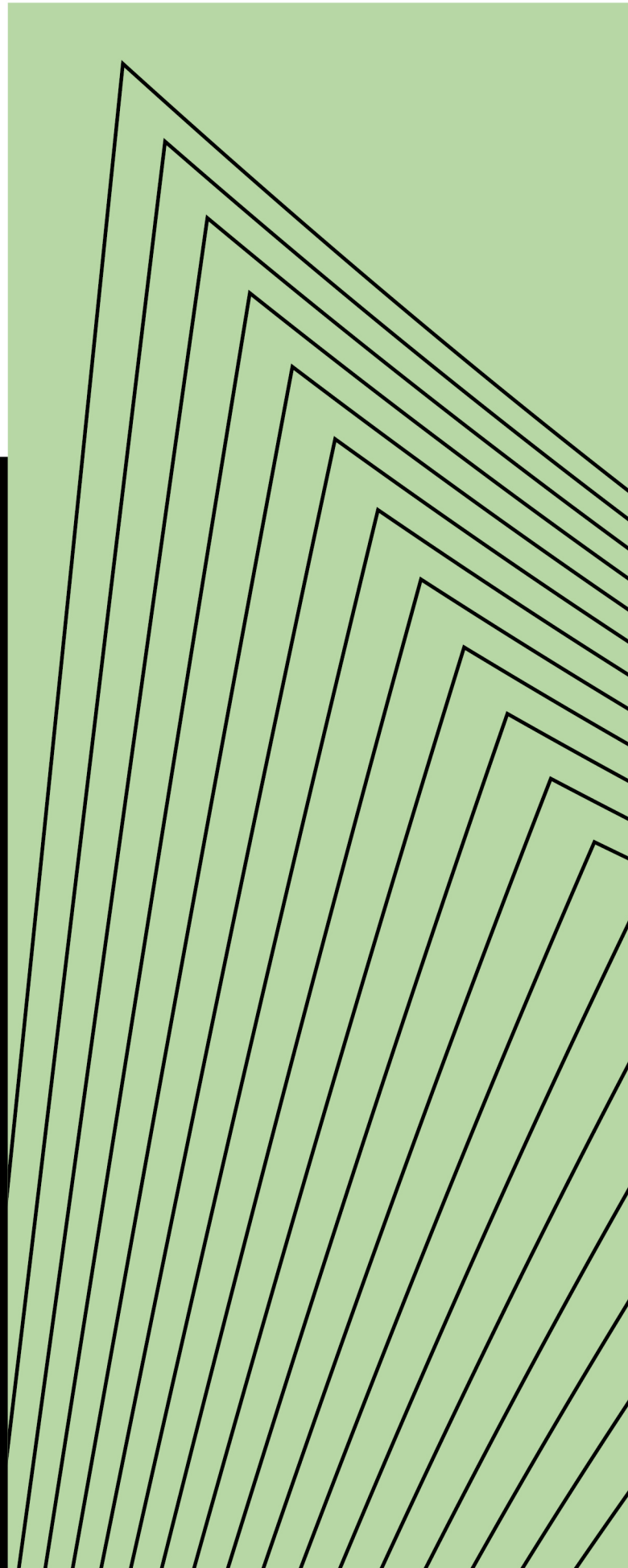
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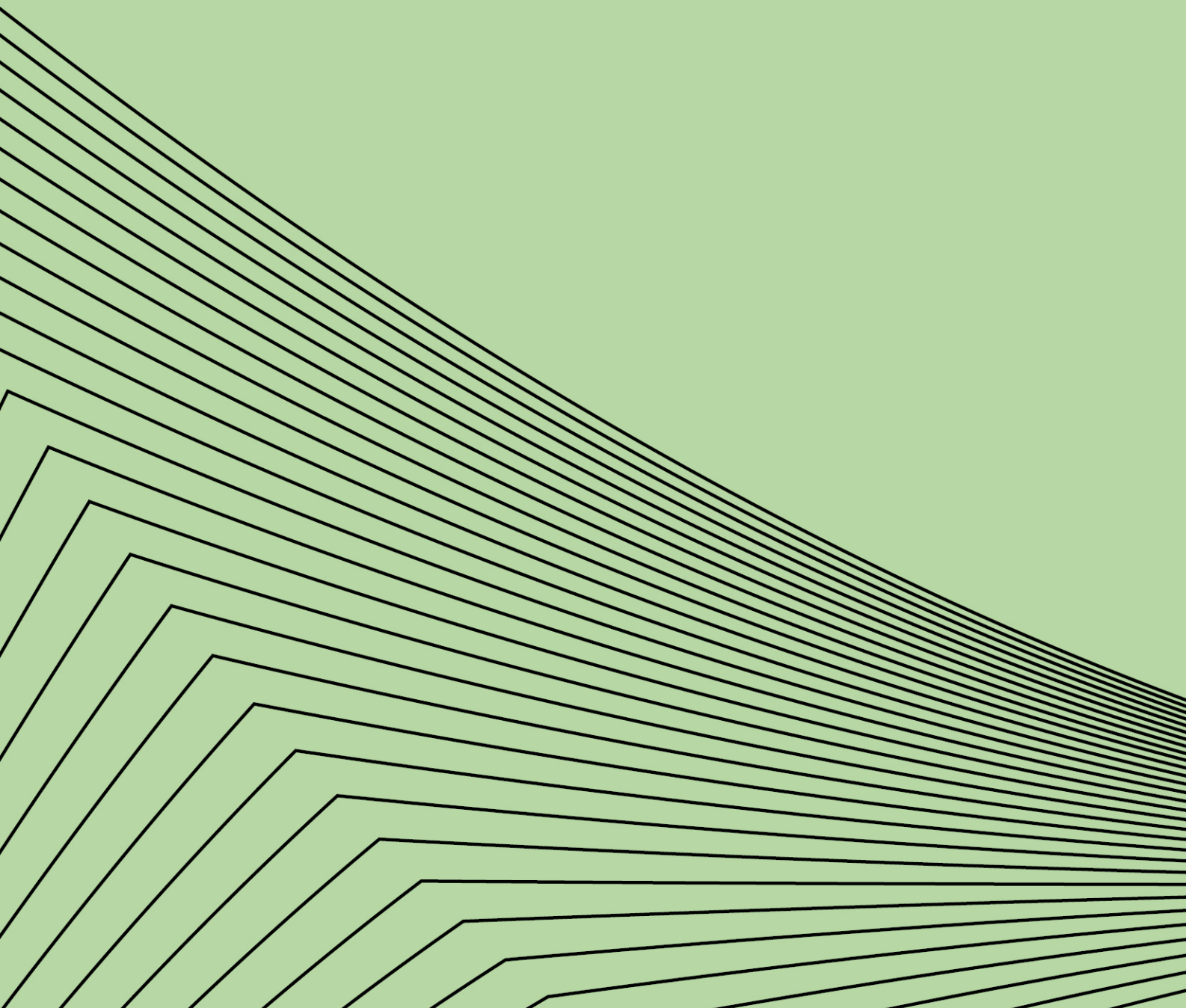
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01

Results Overview





1.1 Executive Summary

1H26 net profit¹

\$A1,655m

↑ 3% on pcip

1H26 net operating income

\$A8,691m

↑ 6% on pcip

1H26 operating expenses

\$A6,239m

↑ 5% on pcip

1H26 annualised return on equity

9.6%

↓ from 9.9% in the pcip

1H26 annualised return on tangible equity

10.2%

↓ from 11.4% in the pcip

Diversity of income²

~56%

~28%

~16%

Annuity-style | Income

Markets-facing | Income

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

² Reference to Macquarie's established, diverse income streams is based on 1H26 net operating income.

1H26 net profit contribution¹ by Operating Group

Summary of the Operating Groups' performance for the half year ended 30 September 2025.

Non-Banking Group	Macquarie Asset Management (MAM)² \$A1,175m ↑ 43% on pcg due to higher performance fees from Private Markets-managed funds, managed accounts and co-investors.	Macquarie Capital \$A711m ↑ 92% on pcg due to - higher fee and commission income driven by mergers and acquisitions fee income, particularly in the Americas and ANZ, and higher brokerage fee income mainly due to increased market activity in Asia - higher net interest income from the private credit portfolio, benefitting from more than \$A3.9 billion³ of growth in average drawn loan assets and higher repayment income - lower credit provisions driven by an improvement in the macroeconomic outlook, partially offset by counterparty-specific provisions. Partially offset by: - higher share of net losses from associates and joint ventures, primarily driven by changes in the composition and performance of the investment portfolio.
	Banking and Financial Services (BFS) \$A793m ↑ 22% on pcg due to - higher net interest income mainly driven by growth in the average loan and deposit portfolios, partially offset by margin compression reflecting ongoing lending and deposit competition, and changes in portfolio mix - higher fee and commission income mainly due to growth in BFS deposits and the loan portfolio. Partially offset by: - higher operating expenses reflecting increased technology expenses to support business growth and scalable operations, partially offset by lower average headcount driven by digitalisation and operational improvements.	Commodities and Global Markets (CGM)⁴ \$A1,113m ↓ 15% on pcg due to - higher operating expenses driven by increased investment in the CGM platform, remediation-related spend and significant transaction-related costs - higher credit and other impairment charges driven by the impact of increased expected credit losses due to growth in Financial Markets exposures and credit deterioration of a small number of exposures - lower income from equity, debt and other investments primarily driven by the non-recurrence of gains on sale of unlisted equity investments. Partially offset by: - higher net interest and trading income across Foreign exchange, interest rates and credit, Equities, and Asset Finance.
Corporate² Net expenses of \$A2,137m ↑ 38% on pcg due to - higher other expenses driven by impairments of Green Investments and the non-recurrence of a gain on the sale of centrally held assets - higher employment expenses driven by higher performance-related profit share - lower net income from equity and debt investments due to the non-recurrence of asset realisations in Green Investments - higher income tax expense driven by an increase in profit before tax and the geographical composition of earnings. Partially offset by: - credit and other impairment reversals driven by an improvement in the macroeconomic outlook.		

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

² On 1 September 2025, the Green Investments assets retained on balance sheet were transferred to a Macquarie Group portfolio, centrally managed in Corporate. Prior comparatives have been restated.

³ Average volume calculation is based on balances converted at spot FX rates as at reporting period end.

⁴ 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.

1.1 Executive Summary

Continued

Profit attributable to the ordinary equity holders

\$A1,655m

↑ 3% on pcg

	HALF YEAR TO			MOVEMENT	
	Sep 25 \$Am	Mar 25 \$Am	Sep 24 \$Am	Mar 25 %	Sep 24 %
Financial performance summary					
Net interest income	2,066	1,838	1,669	12	24
Net trading income	2,445	2,910	2,460	(16)	(1)
Net interest and trading income	4,511	4,748	4,129	(5)	9
Fee and commission income	3,901	3,490	3,300	12	18
Share of net (losses)/profits from associates and joint ventures	(50)	166	1	*	*
Net credit impairment charges	(17)	(212)	(54)	(92)	(69)
Net other impairment charges	(12)	(74)	(21)	(84)	(43)
Net other operating income					
Net investment income	358	798	517	(55)	(31)
Net operating lease income	219	282	279	(22)	(22)
Net other (expense)/income	(219)	(206)	65	6	*
Net other operating income	358	874	861	(59)	(58)
Net operating income	8,691	8,992	8,216	(3)	6
Compensation expenses	(3,734)	(3,714)	(3,541)	1	5
Other employment expenses	(222)	(190)	(215)	17	3
Employment expenses	(3,956)	(3,904)	(3,756)	1	5
Brokerage, commission and fee expenses	(628)	(626)	(580)	<1	8
Non-salary technology expenses	(634)	(625)	(575)	1	10
Other operating expenses	(1,021)	(1,066)	(1,008)	(4)	1
Total operating expenses	(6,239)	(6,221)	(5,919)	<1	5
Operating profit before income tax	2,452	2,771	2,297	(12)	7
Income tax expense	(771)	(640)	(686)	20	12
Profit after income tax	1,681	2,131	1,611	(21)	4
(Profit)/loss attributable to non-controlling interests	(26)	(28)	1	(7)	*
Profit attributable to ordinary equity holders of Macquarie Group Limited	1,655	2,103	1,612	(21)	3
Key metrics					
Expense to income ratio (%)	71.8	69.2	72.0		
Compensation ratio (%)	43.0	41.3	43.1		
Effective tax rate (%) ¹	31.8	23.3	29.9		
Basic earnings per share (cents per share)	436.7	554.8	424.6		
Diluted earnings per share (cents per share)	435.0	552.3	423.0		
Dividend per ordinary share (cents per share)	280.0	390.0	260.0		
Ordinary dividend payout ratio (%)	64.4	70.7	61.5		
Annualised return on equity (%)	9.6	12.5	9.9		
Annualised return on tangible equity (%)	10.2	13.9	11.4		

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

Net operating income

Net operating income of \$A8,691 million for the half year ended 30 September 2025 increased 6% from \$A8,216 million in the prior corresponding period. The increase was primarily driven by higher fee and commission income and net interest and trading income, partially offset by lower net other operating income.

Net interest and trading income

HALF YEAR TO			↑9% on pcg
30 Sep 25	31 Mar 25	30 Sep 24	
\$Am	\$Am	\$Am	
4,511	4,748	4,129	

Largely driven by:

- higher net interest income due to growth in the average private credit portfolio and higher repayment income, in Macquarie Capital
- 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
- higher risk management income driven by increased contributions from North American Power, Gas and Emissions and Global Oil, partially offset by decreased client hedging activity in the agriculture sector, in CGM
- higher equities income driven by increased client activity, in CGM.

Partially offset by:

- lower inventory management and trading income driven by timing of income recognition on North American Power and Gas contracts, in CGM.

Fee and commission income

HALF YEAR TO			↑18% on pcg
30 Sep 25	31 Mar 25	30 Sep 24	
\$Am	\$Am	\$Am	
3,901	3,490	3,300	

Largely driven by:

- higher performance fees from Private Markets-managed funds, managed accounts and co-investors, in MAM
- higher mergers and acquisition fee income, particularly in the Americas and ANZ and higher brokerage income due to increased market activity, particularly in Asia, in Macquarie Capital.

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

HALF YEAR TO			↓substantially on pcg
30 Sep 25	31 Mar 25	30 Sep 24	
\$Am	\$Am	\$Am	
(50)	166	1	

Largely driven by:

- higher net losses primarily driven by changes in the composition and performance of the investment portfolio, in Macquarie Capital
- lower equity accounted net income from the sale of assets by the underlying funds, in MAM.

Net other operating income

HALF YEAR TO			↓58% on pcg
30 Sep 25	31 Mar 25	30 Sep 24	
\$Am	\$Am	\$Am	
358	874	861	

Largely driven by:

- the non-recurrence of gains on sale of centrally held assets and Green Investments, in Corporate
- higher impairments of Green Investments, in Corporate.

Credit and other impairment charges

HALF YEAR TO			↓61% on pcg
30 Sep 25	31 Mar 25	30 Sep 24	
\$Am	\$Am	\$Am	
(29)	(286)	(75)	

Largely driven by:

- lower credit provisions due to an improvement in the macroeconomic outlook, in Macquarie Capital and Corporate.

Partially offset by:

- higher expected credit losses due to growth in Financial Markets exposures and credit deterioration of a small number of exposures, in CGM.

1.1 Executive Summary

Continued

Operating expenses

Total operating expenses of \$A6,239 million for the half year ended 30 September 2025 increased 5% from \$A5,919 million in the prior corresponding period. The increase was primarily driven by higher employment, non-salary technology and brokerage, commission and fee expenses.

Employment expenses

HALF YEAR TO		
30 Sep 25	31 Mar 25	30 Sep 24
\$Am	\$Am	\$Am
3,956	3,904	3,756

↑5%
on pcg

Largely driven by:

- higher performance-related profit share
- wage inflation.

Partially offset by:

- lower salary and related expenses from lower average headcount.

Brokerage, commission and fee expenses

HALF YEAR TO		
30 Sep 25	31 Mar 25	30 Sep 24
\$Am	\$Am	\$Am
628	626	580

↑8%
on pcg

Largely driven by:

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

Non-salary technology expenses

HALF YEAR TO		
30 Sep 25	31 Mar 25	30 Sep 24
\$Am	\$Am	\$Am
634	625	575

↑10%
on pcg

Largely driven by:

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

Other operating expenses

HALF YEAR TO		
30 Sep 25	31 Mar 25	30 Sep 24
\$Am	\$Am	\$Am
1,021	1,066	1,008

↑1%
on pcg

Largely driven by:

- expenses related to specific legal matters
- higher consultancy and professional expenses.

Partially offset by:

- lower intangible amortisation expenses partially offset by transaction costs, in MAM.

Income tax expense and Effective tax rate

Income tax expense

HALF YEAR TO		
30 Sep 25	31 Mar 25	30 Sep 24
\$Am	\$Am	\$Am
771	640	686

↑12%
on pcg

Effective tax rate¹

HALF YEAR TO		
30 Sep 25	31 Mar 25	30 Sep 24
%	%	%
31.8	23.3	29.9

↑1.9%
on pcg

This movement was largely driven by the geographic composition and nature of earnings.

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

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1.1 Executive Summary

Continued

Statement of financial position

	AS AT		MOVEMENT		
	Sep 25 \$Ab	Mar 25 \$Ab	Sep 24 \$Ab	Mar 25 %	Sep 24 %
Assets					
Cash and bank balances	23.5	26.4	19.1	(11)	23
Cash collateralised lending and reverse repurchase agreements	71.5	66.6	69.7	7	3
Trading assets	47.0	35.0	35.3	34	33
Margin money and settlement assets	27.3	26.6	25.8	3	6
Derivative assets	25.4	24.3	23.9	5	6
Financial investments	26.2	21.5	18.9	22	39
Held for sale assets	11.5	6.6	3.0	74	283
Other assets	11.2	14.2	11.1	(21)	1
Loan assets	224.0	205.6	187.1	9	20
Interests in associates and joint ventures	7.0	7.7	7.1	(9)	(1)
Property, plant and equipment and right-of-use assets	6.1	6.9	8.1	(12)	(25)
Intangible assets	1.8	1.7	3.5	6	(49)
Deferred tax assets	1.7	2.1	1.7	(19)	-
Total assets	484.2	445.2	414.3	9	17
Liabilities					
Deposits	198.8	177.7	158.5	12	25
Cash collateralised borrowing and repurchase agreements	8.4	4.9	3.2	71	163
Trading liabilities	11.6	5.8	5.2	100	123
Margin money and settlement liabilities	28.3	28.8	32.5	(2)	(13)
Derivative liabilities	23.5	23.4	22.3	<1	5
Held for sale liabilities	2.6	1.9	0.8	37	225
Other liabilities	14.1	15.0	11.9	(6)	18
Issued debt securities and other borrowings	144.4	135.2	130.5	7	11
Deferred tax liabilities	0.3	0.3	0.3	-	-
Total liabilities excluding loan capital	432.0	393.0	365.2	10	18
Loan capital	17.0	16.4	16.3	4	4
Total liabilities	449.0	409.4	381.5	10	18
Net assets	35.2	35.8	32.8	(2)	7
Equity					
Contributed equity	11.2	11.1	11.0	1	2
Reserves	3.8	4.8	2.9	(21)	31
Retained earnings	19.6	19.5	18.4	1	7
Total capital and reserves attributable to ordinary equity holders of Macquarie Group Limited	34.6	35.4	32.3	(2)	7
Non-controlling interests	0.6	0.4	0.5	50	20
Total equity	35.2	35.8	32.8	(2)	7

Statement of financial position

The Consolidated Entity's Statement of financial position was impacted during the half year ended 30 September 2025 by changes resulting from a combination of business activities, Group Treasury management initiatives and macroeconomic factors.

Assets

Total assets of \$A484.2 billion as at 30 September 2025 increased 9% from \$A445.2 billion as at 31 March 2025.

The principal drivers for the increase were as follows:

- loan assets of \$A224.0 billion as at 30 September 2025 increased 9% from \$A205.6 billion as at 31 March 2025, driven by volume growth in BFS home loans
- trading assets of \$A47.0 billion as at 30 September 2025 increased 34% from \$A35.0 billion as at 31 March 2025, driven by an increase in holdings of listed equity securities, in CGM
- held for sale assets of \$A11.5 billion as at 30 September 2025 increased 74% from \$A6.6 billion as at 31 March 2025, driven by the reclassification of businesses and assets held for sale, across BFS and CGM
- cash collateralised lending and reverse repurchase agreements of \$A71.5 billion as at 30 September 2025 increased 7% from \$A66.6 billion as at 31 March 2025, driven by an increase in holdings of reverse repurchase agreements as part of Group Treasury's liquid asset portfolio management and higher trading activity, in CGM
- financial investments of \$A26.2 billion as at 30 September 2025 increased 22% from \$A21.5 billion as at 31 March 2025, driven by an increase in holdings of debt securities as part of Group Treasury's liquid asset portfolio management.

These increases were partially offset by:

- cash and bank balances of \$A23.5 billion as at 30 September 2025 decreased 11% from \$A26.4 billion as at 31 March 2025, driven by a reduction in the overnight deposit held with the RBA as part of Group Treasury's liquid asset portfolio management
- other assets of \$A11.2 billion as at 30 September 2025 decreased 21% from \$A14.2 billion as at 31 March 2025, driven by the receipt of proceeds for a consideration receivable for equity investments disposed of in the prior period, in MAM.

Liabilities

Total liabilities of \$A449.0 billion as at 30 September 2025 increased 10% from \$A409.4 billion as at 31 March 2025.

The principal drivers for the increase were as follows:

- deposits of \$A198.8 billion as at 30 September 2025 increased 12% from \$A177.7 billion as at 31 March 2025, driven by volume growth in deposits, in BFS
- issued debt securities and other borrowings of \$A144.4 billion as at 30 September 2025 increased 7% from \$A135.2 billion as at 31 March 2025, driven by the net issuance of commercial paper, certificates of deposit and borrowings, in Group Treasury
- trading liabilities of \$A11.6 billion as at 30 September 2025 increased 100% from \$A5.8 billion as at 31 March 2025, driven by an increase in short positions on listed equity securities, in CGM
- cash collateralised borrowing and repurchase agreements of \$A8.4 billion as at 30 September 2025 increased 71% from \$A4.9 billion as at 31 March 2025, driven by an increase in trading activity, in CGM.

These increases were partially offset by:

- other liabilities of \$A14.1 billion as at 30 September 2025 decreased 6% from \$A15.0 billion as at 31 March 2025, driven by lower commodity-related payables, in CGM.

Equity

Total equity of \$A35.2 billion as at 30 September 2025 decreased 2% from \$A35.8 billion as at 31 March 2025.

The principal drivers for the decrease were as follows:

- \$A1.5 billion dividend payment
- \$A0.8 billion decrease in the foreign currency translation reserve, largely driven by the appreciation of the Australian Dollar against the United States Dollar.

Partially offset by:

- \$A1.7 billion of earnings generated during the current period.

1.1 Executive Summary

Continued

Loan assets

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

	Notes	AS AT			MOVEMENT	
		Sep 25	Mar 25	Sep 24 ¹	Mar 25	Sep 24
		\$Ab	\$Ab	\$Ab	%	%
BFS						
Home loans	1	161.7	143.0	131.0	13	23
Business banking	2	17.3	16.6	16.4	4	5
Car loans	3	0.3	2.6	3.5	(88)	(91)
Other	4	0.4	0.2	0.3	100	33
Total BFS		179.7	162.4	151.2	11	19
CGM						
Asset finance	5	4.6	4.3	3.6	7	28
Resources and commodities	6	3.7	3.7	3.7	-	-
Foreign exchange, interest rate and credit	7	11.5	10.5	7.8	10	47
Other	8	0.4	0.4	0.1	-	300
Total CGM		20.2	18.9	15.2	7	33
MAM						
Other	9	0.7	0.2	0.1	250	*
Total MAM		0.7	0.2	0.1	250	*
Macquarie Capital						
Corporate and other lending ²	10	23.4	24.1	20.6	(3)	14
Total Macquarie Capital		23.4	24.1	20.6	(3)	14
Total ³		224.0	205.6	187.1	9	20

¹ Following changes to funded balance sheet methodology, prior comparatives have been restated.

² Includes loans secured by mortgages over residential property.

³ Total loan assets per funded balance sheet includes self-securitised assets and excludes loan assets classified as held for sale.

Explanatory notes concerning asset security of funded loan asset portfolio

1. Home loans

Loans secured by mortgages over residential property.

2. Business banking

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

3. Car loans

Secured by motor vehicles.

4. BFS Other

Includes credit cards.

5. Asset finance

Predominantly secured by underlying financed assets.

6. Resources and commodities

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

7. Foreign exchange, interest rate and credit

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

8. CGM Other

Equity collateralised loans.

9. MAM Other

Secured by underlying financed assets.

10. Corporate and other lending

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

1.1 Executive Summary

Continued

Equity investments

Equity investments include:

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

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

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

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

Equity investments reconciliation

	AS AT		MOVEMENT		
	Sep 25 \$Ab	Mar 25 \$Ab	Sep 24 \$Ab	Mar 25 %	Sep 24 %
Equity investments					
Statement of financial position					
Equity investments at fair value	2.1	1.8	1.7	17	24
Interest in associates and joint ventures ¹	8.8	9.1	8.5	(3)	4
Total equity investments per statement of financial position	10.9	10.9	10.2	-	7
Adjustment for funded balance sheet					
Non-controlling interests ²	(0.2)	(0.2)	(0.2)	-	-
Total funded equity investments	10.7	10.7	10.0	-	7
Adjustment for equity investment analysis					
Subsidiaries and certain other assets held for investment purposes ³	2.4	2.7	2.3	(11)	4
Total adjusted equity investments⁴	13.1	13.4	12.3	(2)	7

¹ Includes total interests in associates and joint ventures and interests in associates and joint ventures classified as held for sale as per Note 10 *Held for sale and other assets* in Macquarie's Interim Report for the half year ended 30 September 2025.

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

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

⁴ The adjusted value represents the total net exposure to Macquarie.

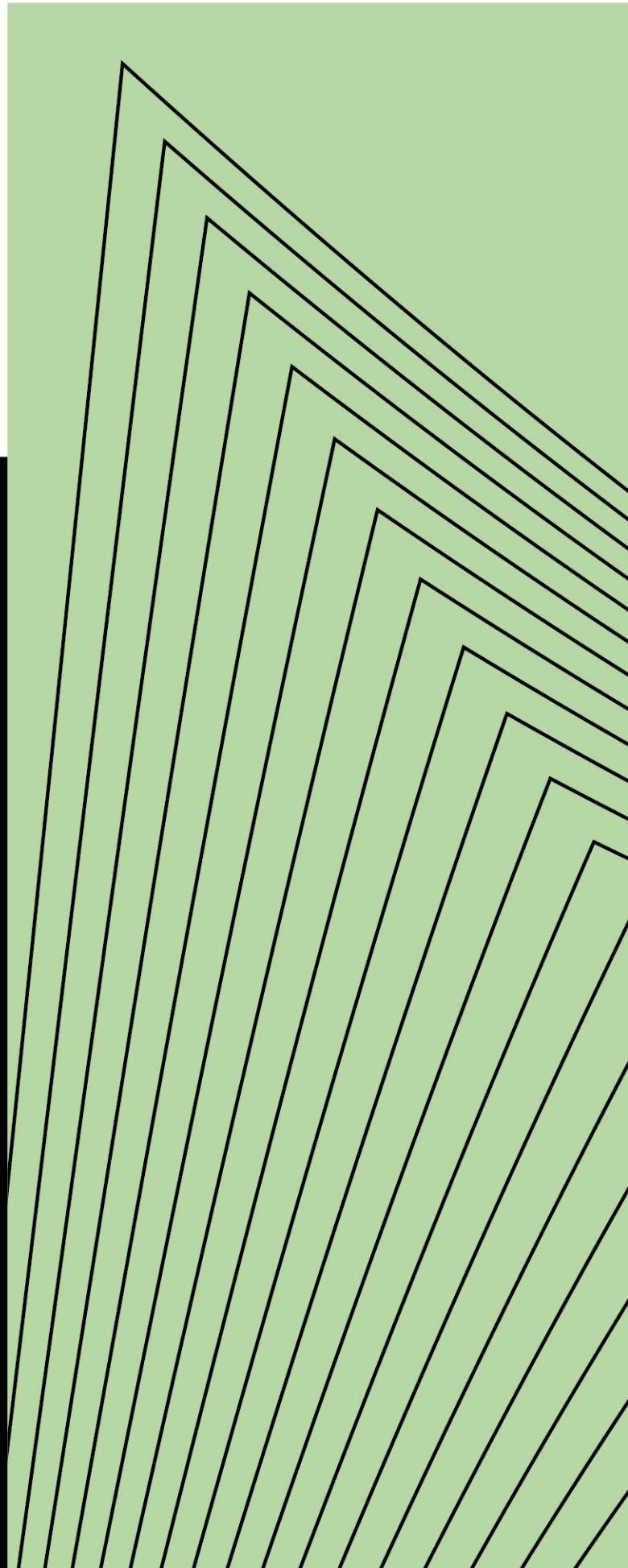
Equity investments by category

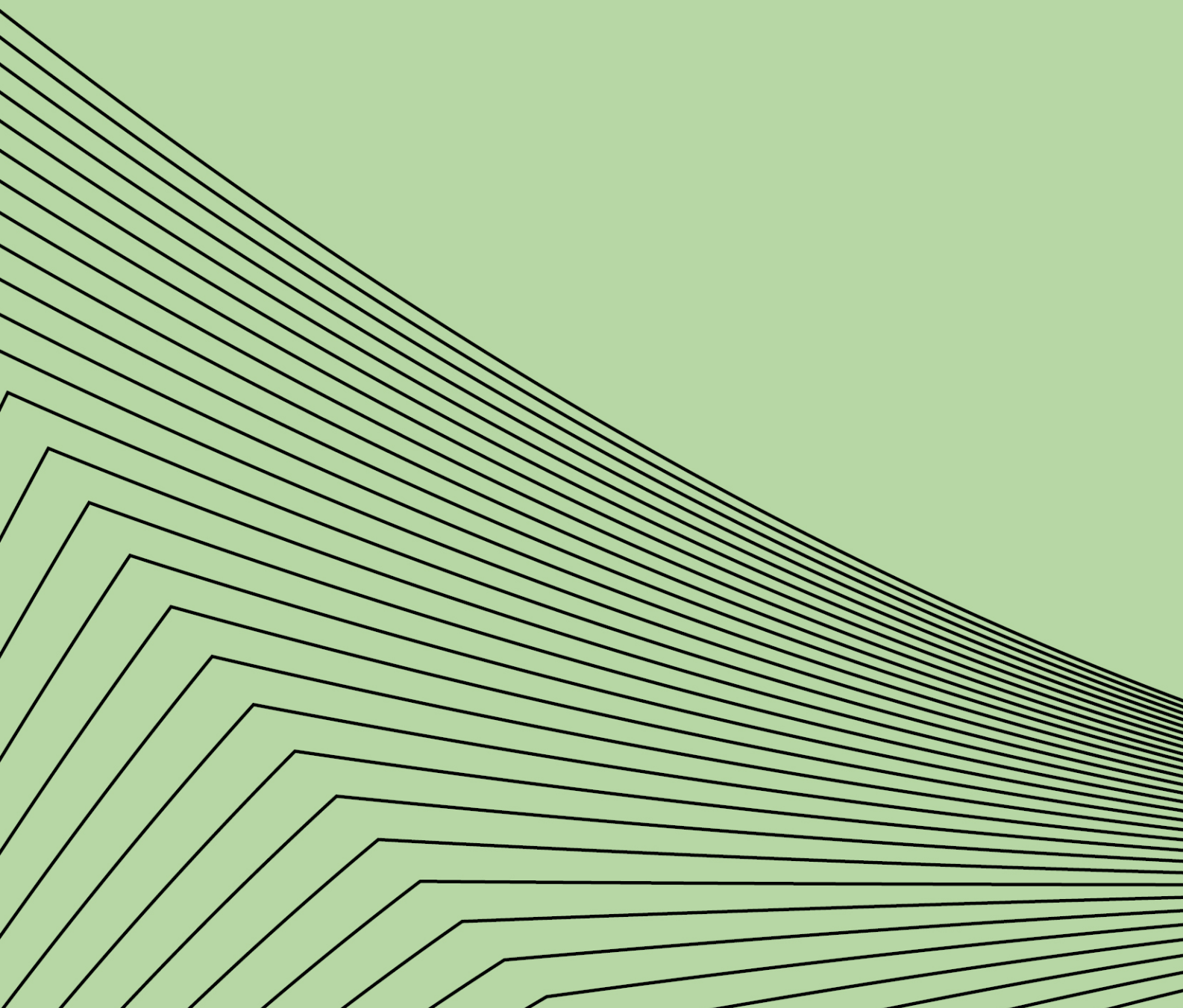
Category	AS AT		MOVEMENT		
	Sep 25 \$Ab	Mar 25 \$Ab	Sep 24 \$Ab	Mar 25 %	Sep 24 %
MAM					
Macquarie Asset Management Private Markets-managed funds	2.8	2.6	2.2	8	27
Investments acquired to seed new Private Markets-managed products and mandates	0.5	0.9	0.2	(44)	150
Transport, industrial, real estate, infrastructure and technology	1.8	1.9	1.6	(5)	27
Total MAM	5.1	5.4	4.2	(6)	(100)
Macquarie Capital					
Infrastructure & Energy Capital	2.1	2.1	2.0	-	5
Principal Finance	1.9	1.9	1.8	-	6
Growth & Technology and Venture Capital	1.8	1.8	1.6	-	13
Total Macquarie Capital	5.8	5.8	5.4	-	7
Green Energy	1.2	1.3	1.8	(8)	(33)
Corporate and Other ¹	1.0	0.9	0.9	11	11
Total Other	2.2	2.2	2.7	-	(19)
Total equity investments	13.1	13.4	12.3	(2)	7

¹ Other includes BFS and CGM.

02

Segment Analysis





2.1 Basis of Preparation

Operating Segments

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

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

On 1 September 2025, the Green Investments assets retained on balance sheet were transferred to a Macquarie Group portfolio, centrally managed in Corporate. These transfers were undertaken to better align the Operating Groups with their long-term strategy. In accordance with AASB 8 *Operating Segments* comparative information has been restated to reflect these changes.

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 asset manager that provides a diverse range of investment solutions to clients including real assets, real estate, credit and insurance, secondaries and systematic investments
- **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 infrastructure and energy. Macquarie Capital's Equities brokerage business provides clients with access to equity research, sales, execution capabilities and corporate access with a focus on Asia-Pacific.

The Corporate segment, which is not considered an Operating Group, comprises head office and Central Service Groups, and holds certain legacy and strategic investments, assets and businesses that are not allocated to any of the Operating Groups.

Items of income and expense within the Corporate segment include the net result of managing Macquarie's liquidity and funding requirements, earnings on capital and the residual accounting volatility relating to economically hedged positions where hedge accounting is applied, as well as accounting volatility for other economically hedged positions where hedge accounting is not applied.

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

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

Internal funding arrangements

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

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

Transactions between Operating Segments

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

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

Accounting for economic interest rate risk hedging derivatives and presentation of interest and trading income

With respect to businesses that predominantly earn income from lending activities, derivatives that hedge interest rate risk are measured at fair value through profit or loss (FVTPL). Changes in the fair value are presented in net trading income and give rise to income statement volatility unless designated in hedge accounting relationships. If designated in fair value hedge accounting relationships, the carrying value of the hedged items are adjusted for changes in the fair value attributable to the hedged risks to reduce volatility in the income statement. If designated in cash flow hedge accounting relationships, the effective portion of the derivatives' fair value gains or losses are deferred in the cash flow hedge reserve as part of Other Comprehensive Income (OCI), and subsequently recognised in the income statement at the time at which the hedged items affect the income statement for the hedged risks.

For segment reporting, derivatives are accounted for on an accrual basis in the results of the Operating Groups to the extent that the Corporate segment manages the derivative volatility, either through the application of hedge accounting or where the derivative volatility may offset the volatility of other positions managed within the Corporate segment.

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

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 expenses

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.

Transactions under common control

On 29 August 2025, the Company acquired 100% of the equity interest in MIFL and its subsidiaries from MBL for a total cash consideration of \$A3,023 million.

In September 2025, the Consolidated Entity made the payment of \$A321 million for 100% of the net capital invested in the Shield Master Fund (Shield) by those who invested through Macquarie. This comprised the acquisition of financial investments in Shield at fair value (\$A224 million) and a goodwill payment (\$A97 million).

2.1 Basis of Preparation

Continued

	MAM \$Am	BFS \$Am
Half year ended 30 September 2025		
Net interest and trading (expense)/income	(193)	1,456
Fee and commission income/(expense)	2,415	329
Share of net profits/(losses) from associates and joint ventures	44	-
Other operating income and charges		
Net credit and other impairment reversals/(charges)	3	(24)
Net other operating income and charges	78	(4)
Internal management revenue/(charge)	40	1
Net operating income	2,387	1,758
Total operating expenses	(1,197)	(965)
Operating profit/(loss) before income tax	1,190	793
Income tax expense	-	-
(Profit)/loss attributable to non-controlling interests	(15)	-
Net profit/(loss) contribution	1,175	793
Half year ended 31 March 2025		
Net interest and trading (expense)/income	(269)	1,391
Fee and commission income/(expense)	2,165	307
Share of net profits/(losses) from associates and joint ventures	178	-
Other operating income and charges		
Net credit and other impairment charges	(10)	(24)
Net other operating income	500	(24)
Internal management (charge)/revenue	(16)	1
Net operating income	2,548	1,651
Total operating expenses	(1,298)	(921)
Operating profit/(loss) before income tax	1,250	730
Income tax expense	-	-
(Profit)/loss attributable to non-controlling interests	(24)	-
Net profit/(loss) contribution	1,226	730
Half year ended 30 September 2024		
Net interest and trading (expense)/income	(245)	1,326
Fee and commission income/(expense)	2,047	304
Share of net profits/(losses) from associates and joint ventures	67	(1)
Other operating income and charges		
Net credit and other impairment reversals/(charges)	4	(21)
Net other operating income and charges	160	(18)
Internal management revenue/(charge)	9	(4)
Net operating income	2,042	1,586
Total operating expenses	(1,217)	(936)
Operating profit/(loss) before income tax	825	650
Income tax expense	-	-
(Profit)/loss attributable to non-controlling interests	(2)	-
Net profit/(loss) contribution	823	650

CGM \$Am	Macquarie Capital \$Am	Corporate \$Am	Total \$Am
2,321	497	430	4,511
318	850	(11)	3,901
22	(116)	-	(50)
(68)	(13)	73	(29)
288	281	(285)	358
2	(3)	(40)	-
2,883	1,496	167	8,691
(1,771)	(774)	(1,532)	(6,239)
1,112	722	(1,365)	2,452
-	-	(771)	(771)
1	(11)	(1)	(26)
1,113	711	(2,137)	1,655
2,621	490	515	4,748
240	782	(4)	3,490
33	(44)	(1)	166
(81)	(73)	(98)	(286)
305	305	(212)	874
6	33	(24)	-
3,124	1,493	176	8,992
(1,612)	(813)	(1,577)	(6,221)
1,512	680	(1,401)	2,771
-	-	(640)	(640)
1	(8)	3	(28)
1,513	672	(2,038)	2,103
2,269	322	457	4,129
289	671	(11)	3,300
7	(85)	13	1
(16)	(42)	-	(75)
340	261	118	861
5	18	(28)	-
2,894	1,145	549	8,216
(1,578)	(771)	(1,417)	(5,919)
1,316	374	(868)	2,297
-	-	(686)	(686)
-	(3)	6	1
1,316	371	(1,548)	1,612

2.2 MAM

	HALF YEAR TO			MOVEMENT	
	Sep 25 \$Am	Mar 25 ¹ \$Am	Sep 24 ¹ \$Am	Mar 25 %	Sep 24 %
Net interest and trading expense	(193)	(269)	(245)	(28)	(21)
Fee and commission income					
Base fees	1,465	1,489	1,436	(2)	2
Private Markets	749	745	715	1	5
Public Investments	716	744	721	(4)	(1)
Performance fees	756	434	403	74	88
Other fee and commission income	194	242	208	(20)	(7)
Total fee and commission income	2,415	2,165	2,047	12	18
Share of net profits from associates and joint ventures	44	178	67	(75)	(34)
Other operating income and charges					
Net income on equity, debt and other investments	7	352	47	(98)	(85)
Net credit and other impairment reversals/ (charges)	3	(10)	4	*	(25)
Other income	71	148	113	(52)	(37)
Total other operating income and charges	81	490	164	(83)	(51)
Internal management revenue/(charge)	40	(16)	9	*	*
Net operating income	2,387	2,548	2,042	(6)	17
Operating expenses					
Employment expenses	(401)	(402)	(419)	(<1)	(4)
Brokerage, commission and fee expenses	(222)	(229)	(193)	(3)	15
Other operating expenses	(574)	(667)	(605)	(14)	(5)
Total operating expenses	(1,197)	(1,298)	(1,217)	(8)	(2)
Non-controlling interests²	(15)	(24)	(2)	(38)	*
Net profit contribution	1,175	1,226	823	(4)	43
Non-GAAP metrics					
Assets under management (\$Ab) ³	959.1	941.0	916.8	2	5
Equity under management (\$Ab)	224.6	221.1	217.5	2	3
Headcount	2,279	2,210	2,438	3	(7)

Net profit contribution of \$A1,175 million for the half year ended 30 September 2025 increased 43% from \$A823 million in the prior corresponding period due to:

- higher performance fees from Private Markets-managed funds, managed accounts and co-investors.

¹ On 1 September 2025, the Green Investments assets retained on balance sheet were transferred to a Macquarie Group portfolio, centrally managed in Corporate. Prior comparatives have been restated.

² Non-controlling interests adjust reported consolidated profit or loss for the share that is attributable to non-controlling interests, such that the net profit or loss contribution represents the net profit or loss attributable to ordinary equity holders.

³ Includes AUM as part of the North American and European Public Investments business.

Net interest and trading expense

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

Net interest and trading expense of \$A193 million for the half year ended 30 September 2025 decreased 21% from \$A245 million in the prior corresponding period, primarily driven by lower funding costs following the divestment of Macquarie Rotorcraft in 2H25 and favourable foreign exchange movements on investments and receivables.

Base fees

Base fee income of \$A1,465 million for the half year ended 30 September 2025 increased 2% from \$A1,436 million in the prior corresponding period with offsetting impacts across MAM.

Base fees in Private Markets increased due to fundraising and investments made by funds and mandates and favourable foreign exchange movements, partially offset by asset realisations in funds.

Base fees in Public Investments decreased primarily due to outflows in equity strategies, partially offset by favourable market and foreign exchange movements.

Performance fees

Performance fees are typically generated from Macquarie-managed funds and assets that have outperformed pre-defined benchmarks. Performance fees of \$A756 million for the half year ended 30 September 2025 increased 88% from \$A403 million in the prior corresponding period.

The half year ended 30 September 2025 included performance fees from MAIF2, Aligned Data Centers co-investors and other Private Markets-managed funds including funds managed on behalf of wealth investors, managed accounts and co-investors. The prior corresponding period included performance fees from MAIF2, MEIF4, MIP III, and other Private Markets-managed funds, managed accounts and co-investors.

Other fee and commission income

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

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

Other fee and commission income of \$A194 million for the half year ended 30 September 2025 was broadly in line with the prior corresponding period.

Share of net profits from associates and joint ventures

Share of net profits from associates and joint ventures of \$A44 million for the half year ended 30 September 2025 decreased 34% from \$A67 million in the prior corresponding period, primarily driven by the lower equity accounted net income from the sale of assets by the underlying funds.

Net income on equity, debt and other investments

Net income on equity, debt and other investments of \$A7 million for the half year ended 30 September 2025 was decreased 85% from \$A47 million in the prior corresponding period, primarily driven by gains on sale of investments in the prior corresponding period.

Other income

Other income of \$A71 million for the half year ended 30 September 2025 decreased 37% from \$A113 million in the prior corresponding period, primarily driven by the non-recurrence of operating lease income driven by divestment of Macquarie Rotorcraft in 2H25, partially offset by operating profits from subsidiaries held as seed investments for Macquarie-managed funds.

Operating expenses

Total operating expenses of \$A1,197 million for the half year ended 30 September 2025 decreased 2% from \$A1,217 million in the prior corresponding period primarily driven by lower intangibles amortisation expenses, partially offset by transaction costs, both associated with the divestment of the North American and European Public Investments business.

2.2 MAM: Assets Under Management

	AS AT		MOVEMENT		
	Sep 25 \$Ab	Mar 25 \$Ab	Sep 24 \$Ab	Mar 25 %	Sep 24 %
AUM by type					
Public Investments ¹					
Fixed Income	293.2	305.5	298.5	(4)	(2)
Equities	223.7	219.8	220.5	2	1
Alternatives and Multi-asset	25.6	26.7	24.2	(4)	6
Total Public Investments	542.5	552.0	543.2	(2)	(<1)
Private Markets ²					
Infrastructure Equity	348.6	324.6	302.5	7	15
Infrastructure Debt	34.2	33.7	31.2	1	10
Real Estate ³	24.1	20.9	31.0	15	(22)
Agriculture	5.0	4.9	4.8	2	4
Transport Finance	4.7	4.9	4.1	(4)	15
Total Private Markets	416.6	389.0	373.6	7	12
Total MAM	959.1	941.0	916.8	2	5
Total AUM	959.1	941.0	916.8	2	5
AUM by region					
Americas	362.0	380.4	365.6	(5)	(1)
Europe, Middle East and Africa	218.3	211.9	198.9	3	10
Australia	319.2	291.9	299.0	9	7
Asia	59.6	56.8	53.3	5	12
Total AUM	959.1	941.0	916.8	2	5

Public Investments AUM of \$A542.5 billion as at 30 September 2025 decreased 2% from \$A552.0 billion as at 31 March 2025, primarily driven by outflows in equities and fixed income strategies and unfavourable foreign exchange movements, partially offset by favourable market movements.

Private Markets AUM of \$A416.6 billion as at 30 September 2025 increased 7% from \$A389.0 billion as at 31 March 2025, primarily driven by net asset valuation changes and fund investments, partially offset by unfavourable foreign exchange movements, fund divestments and assets no longer managed.

¹ Includes AUM as part of the North American and European Public Investments business.

² Private Markets (AUM) excluding Real Estate is calculated as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises for the purpose of wealth creation, adjusted to exclude cross-holdings in funds and reflects Macquarie's proportional ownership interest of the fund manager. Private Markets AUM includes equity yet to deploy and equity committed to assets but not yet deployed.

³ Real Estate AUM represents the proportional gross asset value (including estimated total project costs for developments) of real estate assets owned by funds or managed by investee platforms.

2.2 MAM: Equity Under Management

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

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

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

Equity under Management by type and region

	AS AT ^{2,3}		MOVEMENT		
	Sep 25 \$Ab	Mar 25 \$Ab	Sep 24 \$Ab	Mar 25 %	Sep 24 %
EUM by type					
Listed equity	8.0	7.5	7.5	7	7
Unlisted equity	216.6	213.6	210.0	1	3
Total EUM	224.6	221.1	217.5	2	3
EUM by region⁴					
Australia	15.4	16.4	16.5	(6)	(7)
Europe, Middle East and Africa	124.2	121.9	124.2	2	-
Americas	50.5	50.3	43.0	<1	17
Asia	34.5	32.5	33.8	6	2
Total EUM	224.6	221.1	217.5	2	3

EUM of \$A224.6 billion as at 30 September 2025 increased 2% from \$A221.1 billion as at 31 March 2025. The increase was primarily driven by capital raised for funds and co-investments, partially offset by unfavourable foreign exchange movements and equity returned by funds and co-investments due to the divestment of underlying assets.

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

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

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

⁴ By location of fund management team.

2.3 BFS

	HALF YEAR TO			MOVEMENT	
	Sep 25 \$Am	Mar 25 \$Am	Sep 24 \$Am	Mar 25 %	Sep 24 %
Net interest and trading income	1,456	1,391	1,326	5	10
Fee and commission income					
Wealth management fee income	224	217	218	3	3
Banking and lending fee income	105	90	86	17	22
Total fee and commission income	329	307	304	7	8
Other operating income and charges					
Net credit and other impairment charges	(24)	(24)	(21)	-	14
Other (expenses)/income	(4)	(24)	(19)	(83)	(79)
Total other operating income and charges	(28)	(48)	(40)	(42)	(30)
Internal management revenue/(charge)	1	1	(4)	-	*
Net operating income	1,758	1,651	1,586	6	11
Operating expenses					
Employment expenses	(234)	(219)	(253)	7	(8)
Brokerage, commission and fee expenses	(92)	(92)	(84)	-	10
Technology expenses ¹	(387)	(365)	(357)	6	8
Other operating expenses	(252)	(245)	(242)	3	4
Total operating expenses	(965)	(921)	(936)	5	3
Net profit contribution	793	730	650	9	22
Non-GAAP metrics					
Funds on platform (\$Ab)	166.7	154.0	158.5	8	5
Loan portfolio (\$Ab) ²	178.4	161.4	150.4	11	19
BFS deposits (\$Ab) ³	192.5	172.4	153.1	12	26
Headcount ⁴	4,132	4,122	4,286	<1	(4)
Headcount (excluding Technology)	2,649	2,713	2,889	(2)	(8)

Net profit contribution of \$A793 million for the half year ended 30 September 2025 increased 22% from \$A650 million in the prior corresponding period due to:

- higher net interest income mainly driven by growth in the average loan and deposit portfolios, partially offset by margin compression reflecting ongoing lending and deposit competition, and changes in portfolio mix
- higher fee and commission income mainly due to growth in BFS deposits and the loan portfolio.

Partially offset by:

- higher operating expenses reflecting increased technology expenses to support business growth and scalable operations, partially offset by lower average headcount driven by digitalisation and operational improvements.

¹ Technology expenses includes employment costs (1H26: \$A142 million, 2H25: \$A121 million and 1H25: \$A131 million), other staff related costs, infrastructure and support and licences. Prior comparatives have been restated for the transfer of BFS Technology employees from Corporate to BFS.

² The loan portfolio comprises home loans (excluding offset accounts), loans to businesses, credit cards and car loans (excluding balances classified as held for sale assets of \$A1.5 billion as at 30 September 2025).

³ BFS deposits include home loan offset accounts.

⁴ Prior comparatives have been restated for the transfer of BFS Technology employees from Corporate to BFS.

Net interest and trading income

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

Net interest and trading income of \$A1,456 million for the half year ended 30 September 2025 increased 10% from \$A1,326 million in the prior corresponding period. This was primarily due to 17% growth in the average loan portfolio¹ and 23% growth in the average deposit portfolio¹, partially offset by margin compression, reflecting ongoing lending and deposit competition, and changes in portfolio mix.

Wealth management fee income

Wealth management fee income relates to fees earned on a range of BFS' products and services including the Wrap and Vision platforms, and the provision of wealth services.

Wealth management fee income of \$A224 million for the half year ended 30 September 2025 was broadly in line with the prior corresponding period.

Banking and lending fee income

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

Banking and lending fee income of \$A105 million for the half year ended 30 September 2025 increased 22% from \$A86 million in the prior corresponding period due to growth in BFS deposits and the loan portfolio.

Net credit and other impairment charges

Net credit and other impairment charges of \$A24 million for the half year ended 30 September 2025 were broadly in line with the prior corresponding period, due to changes to the recovery outlook in the car loan portfolio and loan portfolio growth, largely offset by improved credit performance in business lending.

Other (expenses)/income

Other expenses of \$A4 million for the half year ended 30 September 2025 decreased 79% from \$A19 million in the prior corresponding period, mainly driven by the revaluation of an equity investment in the prior corresponding period.

Operating expenses

Total operating expenses of \$A965 million for the half year ended 30 September 2025 increased 3% from \$A936 million in the prior corresponding period.

Employment expenses of \$A234 million for the half year ended 30 September 2025 decreased 8% from \$A253 million in the prior corresponding period, largely due to lower average headcount driven by digitalisation and operational improvements.

Brokerage, commission and fee expenses of \$A92 million for the half year ended 30 September 2025 were broadly in line with the prior corresponding period.

Technology expenses of \$A387 million for the half year ended 30 September 2025 increased 8% from \$A357 million in the prior corresponding period, mainly to support business growth and scalable operations.

Other operating expenses of \$A252 million for the half year ended 30 September 2025 were broadly in line with the prior corresponding period.

¹ Calculations based on average volumes net of offset accounts.

2.4 CGM

	HALF YEAR TO		MOVEMENT		
	Sep 25 \$Am	Mar 25 \$Am	Sep 24 \$Am	Mar 25 %	Sep 24 %
Net interest and trading income					
Commodities					
Risk management	923	1,078	886	(14)	4
Lending and financing	160	179	187	(11)	(14)
Inventory management and trading	297	357	333	(17)	(11)
Total commodities	1,380	1,614	1,406	(14)	(2)
Foreign exchange, interest rates and credit	658	708	632	(7)	4
Equities	229	245	203	(7)	13
Asset Finance	54	54	28	-	93
Net interest and trading income	2,321	2,621	2,269	(11)	2
Fee and commission income					
Brokerage and other trading-related fees	177	153	154	16	15
Other fee and commission income	141	87	135	62	4
Total fee and commission income	318	240	289	33	10
Share of net profits from associates and joint ventures	22	33	7	(33)	214
Other operating income and charges					
Net income on equity, debt and other investments	27	48	42	(44)	(36)
Net credit and other impairment charges	(68)	(81)	(16)	(16)	*
Net operating lease income	216	207	211	4	2
Other income	45	50	87	(10)	(48)
Total other operating income and charges	220	224	324	(2)	(32)
Internal management revenue	2	6	5	(67)	(60)
Net operating income	2,883	3,124	2,894	(8)	(<1)
Operating expenses					
Employment expenses	(438)	(401)	(403)	9	9
Brokerage, commission and fee expenses	(248)	(237)	(244)	5	2
Other operating expenses	(1,085)	(974)	(931)	11	17
Total operating expenses	(1,771)	(1,612)	(1,578)	10	12
Non-controlling interests¹	1	1	-	-	*
Net profit contribution	1,113	1,513	1,316	(26)	(15)
Non-GAAP metrics					
Headcount	2,615	2,538	2,544	3	3

Net profit contribution of \$A1,113 million for the half year ended 30 September 2025 decreased 15% from \$A1,316 million in the prior corresponding period due to:

- higher operating expenses driven by increased investment in the CGM platform, remediation-related spend and significant transaction-related costs
- higher credit and other impairment charges driven by the impact of increased expected credit losses due to growth in Financial Markets exposures and credit deterioration of a small number of exposures
- lower income from equity, debt and other investments primarily driven by the non-recurrence of gains on sale of unlisted equity investments.

Partially offset by:

- higher net interest and trading income across Foreign exchange, interest rates and credit, Equities, and Asset Finance.

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

Net interest and trading income

Net interest and trading income of \$A2,321 million for the half year ended 30 September 2025 increased 2% from \$A2,269 million in the prior corresponding period.

Commodities net interest and trading income

(i) Risk management

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

Risk management income of \$A923 million for the half year ended 30 September 2025 increased 4% from \$A886 million in the prior corresponding period, driven by increased contributions from North American Power, Gas and Emissions and Global Oil, partially offset by decreased client hedging activity in the agriculture sector.

(ii) Lending and financing

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

Lending and financing income of \$A160 million for the half year ended 30 September 2025 decreased 14% from \$A187 million in the prior corresponding period, mainly due to decreased financing activity in Global Oil.

(iii) Inventory management and trading

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

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

Inventory management and trading income of \$A297 million for the half year ended 30 September 2025 decreased 11% from \$A333 million in the prior corresponding period, mainly driven by timing of income recognition on North American Power and Gas contracts.

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

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

Net interest and trading income from foreign exchange, interest rates and credit related activities of \$A658 million for the half year ended 30 September 2025 increased 4% from \$A632 million in the prior corresponding period, due to increased contributions from financing origination as well as continued strong client hedging activity across foreign exchange and interest rate products.

Equities net interest and trading income

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

Equities net interest and trading income of \$A229 million for the half year ended 30 September 2025 increased 13% from \$A203 million in the prior corresponding period, mainly due to increased client activity.

2.4 CGM

Continued

Fee and commission income

Fee and commission income of \$A318 million for the half year ended 30 September 2025 increased 10% from \$A289 million in the prior corresponding period, driven by increased client activity in Futures.

Net income on equity, debt and other investments

Net income on equity, debt and other investments of \$A27 million for the half year ended 30 September 2025 decreased 36% from \$A42 million in the prior corresponding period, primarily driven by the non-recurrence of gains on sale of unlisted equity investments.

Net credit and other impairment charges

Net credit and other impairment charges of \$A68 million for the half year ended 30 September 2025 were substantially up from \$A16 million in the prior corresponding period, mainly driven by increased expected credit losses due to growth in Financial Markets exposures and credit deterioration of a small number of exposures.

Net operating lease income

Net operating lease income of \$A216 million for the half year ended 30 September 2025 was broadly in line with the prior corresponding period.

Other income

Other income of \$A45 million for the half year ended 30 September 2025 decreased 48% from \$A87 million in the prior corresponding period, driven by the non-recurrence of a gain on sale of receivables.

Operating expenses

Total operating expenses of \$A1,771 million for the half year ended 30 September 2025 increased 12% from \$A1,578 million in the prior corresponding period.

Employment expenses of \$A438 million for the half year ended 30 September 2025 increased 9% from \$A403 million in the prior corresponding period, driven by wage inflation and one-off staff costs.

Brokerage, commission and fee expenses of \$A248 million for the half year ended 30 September 2025 were broadly in line with the prior corresponding period.

Other operating expenses of \$A1,085 million for the half year ended 30 September 2025 increased 17% from \$A931 million in the prior corresponding period, driven by increased investment in the CGM platform, remediation-related spend and significant transaction-related costs.

2.5 Macquarie Capital

	HALF YEAR TO			MOVEMENT	
	Sep 25 \$Am	Mar 25 \$Am	Sep 24 \$Am	Mar 25 %	Sep 24 %
Net interest and trading income	497	490	322	1	54
Fee and commission income	850	782	671	9	27
Share of net losses from associates and joint ventures	(116)	(44)	(85)	164	36
Other operating income and charges					
Net income on equity, debt and other investments	292	303	309	(4)	(6)
Net credit and other impairment charges	(13)	(73)	(42)	(82)	(69)
Other (expenses)/income	(11)	2	(48)	*	(77)
Total other operating income and charges	268	232	219	16	22
Internal management (charge)/revenue	(3)	33	18	*	*
Net operating income	1,496	1,493	1,145	<1	31
Operating expenses					
Employment expenses	(293)	(307)	(311)	(5)	(6)
Brokerage, commission and fee expenses	(65)	(67)	(57)	(3)	14
Other operating expenses	(416)	(439)	(403)	(5)	3
Total operating expenses	(774)	(813)	(771)	(5)	<1
Non-controlling interests¹	(11)	(8)	(3)	38	267
Net profit contribution	711	672	371	6	92
Non-GAAP metrics					
Headcount	1,452	1,512	1,568	(4)	(7)

Net profit contribution of \$A711 million for the half year ended 30 September 2025 increased 92% from \$A371 million in the prior corresponding period due to:

- higher fee and commission income driven by mergers and acquisitions fee income, particularly in the Americas and ANZ, and higher brokerage fee income mainly due to increased market activity in Asia
- higher net interest income from the private credit portfolio, benefitting from more than \$A3.9 billion² of growth in average drawn loan assets and higher repayment income
- lower credit provisions driven by an improvement in the macroeconomic outlook, partially offset by counterparty-specific provisions.

Partially offset by:

- higher share of net losses from associates and joint ventures, primarily driven by changes in the composition and performance of the investment portfolio.

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

² Average volume calculation is based on balances converted at spot FX rates as at reporting period end.

2.5 Macquarie Capital

Continued

Net interest and trading income

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

Net interest and trading income of \$A497 million for the half year ended 30 September 2025 increased 54% from \$A322 million in the prior corresponding period, primarily due to higher net interest income from the private credit portfolio, benefitting from more than \$A3.9 billion¹ of growth in average drawn loan assets and higher repayment income.

Fee and commission income

Fee and commission income of \$A850 million for the half year ended 30 September 2025 increased 27% from \$A671 million in the prior corresponding period.

Mergers and acquisitions fee income increased 43% on the prior corresponding period, particularly in the Americas and ANZ, which benefitting from several significant transactions.

Brokerage income increased 11% on the prior corresponding period due to increased market activity, particularly in Asia.

Share of net losses from associates and joint ventures

Share of net losses from associates and joint ventures of \$A116 million for the half year ended 30 September 2025 increased 36% from \$A85 million in the prior corresponding period, primarily driven by changes in the composition and performance of the investment portfolio.

Net income on equity, debt and other investments

Net income on equity, debt and other investments of \$A292 million for the half year ended 30 September 2025 decreased 6% from \$A309 million in the prior corresponding period, primarily driven by lower net gains on investments.

Net credit and other impairment charges

Net credit and other impairment charges of \$A13 million for the half year ended 30 September 2025 decreased 69% from \$A42 million in the prior corresponding period, primarily driven by lower credit provisions due to an improvement in the macroeconomic outlook, partially offset by counterparty-specific provisions.

Operating expenses

Total operating expenses of \$A774 million for the half year ended 30 September 2025 were broadly in line with in the prior corresponding period, mainly driven by a decrease in employment expenses from lower average headcount, offset by higher other operating and brokerage expenses.

¹ Average volume calculation is based on balances converted at spot FX rates as at reporting period end.

2.6 Corporate

	HALF YEAR TO			MOVEMENT	
	Sep 25 \$Am	Mar 25 ¹ \$Am	Sep 24 ¹ \$Am	Mar 25 %	Sep 24 %
Net interest and trading income	430	515	457	(17)	(6)
Fee and commission expense	(11)	(4)	(11)	175	-
Share of net (losses)/profits from associates and joint ventures	-	(1)	13	(100)	(100)
Other operating income and charges					
Net income on equity and debt investments	-	93	128	(100)	(100)
Net credit and other impairment reversals/ (charges)	73	(98)	-	*	*
Other (expenses)/income	(285)	(305)	(10)	(7)	*
Total other operating income and charges	(212)	(310)	118	(32)	*
Internal management charge	(40)	(24)	(28)	67	43
Net operating income and charges	167	176	549	(5)	(70)
Operating expenses					
Employment expenses	(2,448)	(2,454)	(2,238)	(<1)	9
Other operating expense recoveries	916	877	821	4	12
Total operating expenses	(1,532)	(1,577)	(1,417)	(3)	8
Income tax expense	(771)	(640)	(686)	20	12
Non-controlling interests²	(1)	3	6	*	*
Net loss contribution	(2,137)	(2,038)	(1,548)	5	38
Non-GAAP metrics					
Headcount	9,343	9,353	9,217	(<1)	1

Net loss contribution of \$A2,137 million for the half year ended 30 September 2025 increased 38% from \$A1,548 million in the prior corresponding period due to:

- higher other expenses driven by impairments of Green Investments and the non-recurrence of a gain on the sale of centrally held assets
- higher employment expenses driven by higher performance-related profit share
- lower net income from equity and debt investments due to the non-recurrence of asset realisations in Green Investments
- higher income tax expense driven by an increase in profit before tax and the geographical composition of earnings.

Partially offset by:

- credit and other impairment reversals driven by an improvement in the macroeconomic outlook.

¹ On 1 September 2025, the Green Investments assets retained on balance sheet were transferred to a Macquarie Group portfolio, centrally managed in Corporate. Prior comparatives have been restated.

² Non-controlling interests adjust reported consolidated profit or loss for the share that is attributable to non-controlling interests, such that the net profit or loss contribution represents the net profit or loss attributable to ordinary equity holders.

2.6 Corporate

Continued

Net interest and trading income

Net interest and trading income in the Corporate segment includes the net result of managing Macquarie's liquidity and funding requirements, with the Operating Groups assumed to be fully debt funded for the purposes of the internal funding charges. The Corporate segment also includes earnings on capital, funding costs associated with investments and green platform assets held centrally, and accounting volatility arising from movements in underlying rates relating to economically hedged positions where hedge accounting is not applied.

Net interest and trading income of \$A430 million for the half year ended 30 September 2025 decreased 6% from \$A457 million in the prior corresponding period, driven by lower funding recoveries from the Operating Groups, partially offset by higher earnings on capital.

Net income on equity and debt investments

Net income on equity and debt investments was substantially down from \$A128 million in the prior corresponding period primarily driven by the non-recurrence of asset realisations in Green Investments.

Net credit and other impairment reversals/(charges)

Net credit and other impairment reversals of \$A73 million were substantially up on the prior corresponding period driven by an improvement in the macroeconomic outlook.

Other (expenses)/income

Other expenses of \$A285 million for the half year ended 30 September 2025 were substantially up from \$A10 million in the prior corresponding period, driven by impairments of Green Investments and the non-recurrence of a gain on the sale of centrally held assets.

Employment expenses

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

Employment expenses of \$A2,448 million for the half year ended 30 September 2025 increased 9% from \$A2,238 million in the prior corresponding period, mainly driven by higher performance-related profit share.

Other operating expense recoveries

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

Other operating expense recoveries of \$A916 million for the half year ended 30 September 2025 increased 12% from \$A821 million in the prior corresponding period, driven by higher Central Service Group cost recoveries and lower other expenses.

¹ Performance-related profit share and share-based payments expenses related to MEREP are not allocated to the Operating Groups.

2.7 International Income

International income¹ by region

	HALF YEAR TO			MOVEMENT	
	Sep 25 \$Am	Mar 25 ² \$Am	Sep 24 ² \$Am	Mar 25 %	Sep 24 %
Americas	2,667	2,774	2,340	(4)	14
Asia	897	833	850	8	6
Europe, Middle East and Africa	1,852	2,399	1,767	(23)	5
Total international income	5,416	6,006	4,957	(10)	9
Australia ³	3,068	2,786	2,682	10	14
Total income (excluding Corporate items)	8,484	8,792	7,639	(4)	11
Corporate items	207	200	577	4	(64)
Net operating income (as reported)	8,691	8,992	8,216	(3)	6
International income (excluding Corporate items) ratio (%)	64	68	65		

International income by Operating Group and region

	HALF YEAR TO SEP 25						
	Americas \$Am	Asia \$Am	Europe, Middle East and Africa \$Am	Total International \$Am	Australia ³ \$Am	Total Income \$Am	Total International %
MAM	1,238	456	365	2,059	288	2,347	88
BFS	-	-	-	-	1,757	1,757	-
CGM	917	228	1,014	2,159	722	2,881	75
Macquarie Capital	512	213	473	1,198	301	1,499	80
Total	2,667	897	1,852	5,416	3,068	8,484	64

Total international income was \$A5,416 million for the half year ended 30 September 2025, increased 9% from \$A4,957 million in the prior corresponding period. Total international income represented 64% of total income (excluding Corporate items), broadly in line with the prior corresponding period.

Income from the Americas of \$A2,667 million for the half year ended 30 September 2025 increased 14% from \$A2,340 million in the prior corresponding period, primarily driven by higher performance fees in MAM and higher mergers and acquisitions fee income in Macquarie Capital. This was partially offset by counterparty-specific provisions in Macquarie Capital.

In Asia, income of \$A897 million for the half year ended 30 September 2025 increased 6% from \$A850 million in the prior corresponding period. The increase was primarily driven by higher performance fees in MAM and higher fee and commission income in Macquarie Capital, partially offset by lower contributions from Financial Markets and Agriculture and Oil, in CGM.

Income from Europe, Middle East and Africa of \$A1,852 million for the half year ended 30 September 2025 increased 5% from \$A1,767 million in the prior corresponding period. The increase was primarily driven by higher net interest income on the private credit portfolio and lower credit provisions, in Macquarie Capital, as well as higher contributions from Financial Markets, in CGM. This was partially offset by lower performance fees and the net impact of the divestment of Macquarie Rotorcraft in 2H25, in MAM.

In Australia, income of \$A3,068 million for the half year ended 30 September 2025 increased 14% from \$A2,682 million in the prior corresponding period, primarily driven by growth in the average loan and deposit portfolios, in BFS, higher contributions from Financial Markets, in CGM, as well as higher mergers and acquisitions fee income and lower credit provisions, in Macquarie Capital. MAM recognised higher performance fees compared to the prior corresponding period.

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

² On 1 September 2025, the Green Investments assets retained on balance sheet were transferred to a Macquarie Group portfolio, centrally managed in Corporate. Prior comparatives have been restated.

³ Includes New Zealand.

2.8 Headcount

	AS AT			MOVEMENT	
	Sep 25	Mar 25	Sep 24	Mar 25 %	Sep 24 %
Headcount by Operating Group¹					
MAM ²	2,279	2,210	2,438	3	(7)
BFS ³	4,132	4,122	4,286	<1	(4)
CGM	2,615	2,538	2,544	3	3
Macquarie Capital	1,452	1,512	1,568	(4)	(7)
Total headcount – Operating Groups	10,478	10,382	10,836	1	(3)
Total headcount – Corporate ^{2,3}	9,343	9,353	9,217	(<1)	1
Total headcount	19,821	19,735	20,053	<1	(1)
Headcount by region					
Australia ⁴	9,461	9,594	9,671	(1)	(2)
International:					
Americas	3,029	2,979	3,157	2	(4)
Asia	4,395	4,271	4,184	3	5
Europe, Middle East and Africa	2,936	2,891	3,041	2	(3)
Total headcount – International	10,360	10,141	10,382	2	(<1)
Total headcount	19,821	19,735	20,053	<1	(1)
International headcount ratio (%)	52	51	52		

Total headcount decreased 1% to 19,821 as at 30 September 2025 from 20,053 as at 30 September 2024, mainly from operational efficiency savings enabled through investment in technology and transformation initiatives.

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

² On 1 September 2025, the Green Investments assets retained on balance sheet were transferred to a Macquarie Group portfolio, centrally managed in Corporate. Prior comparatives have been restated for the transfer of employees from MAM to Corporate.

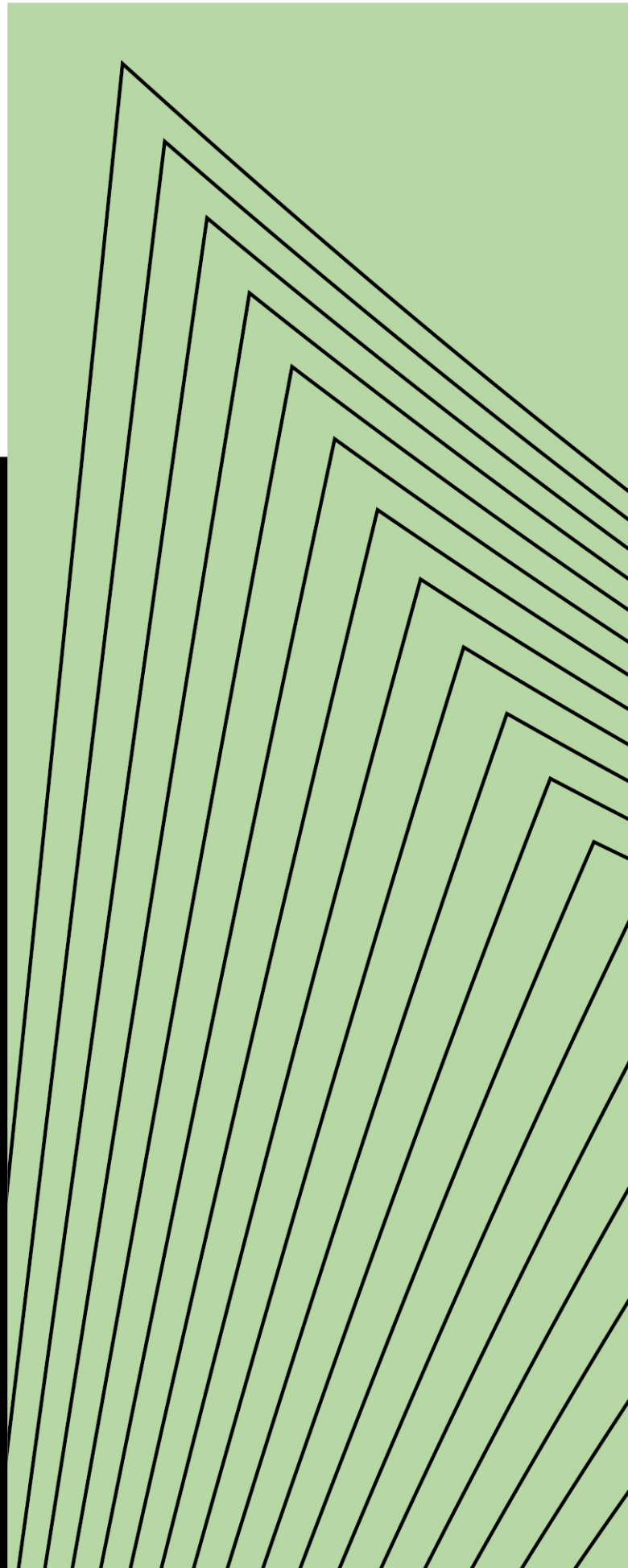
³ Prior comparatives have been restated for the transfer of BFS Technology employees from Corporate to BFS.

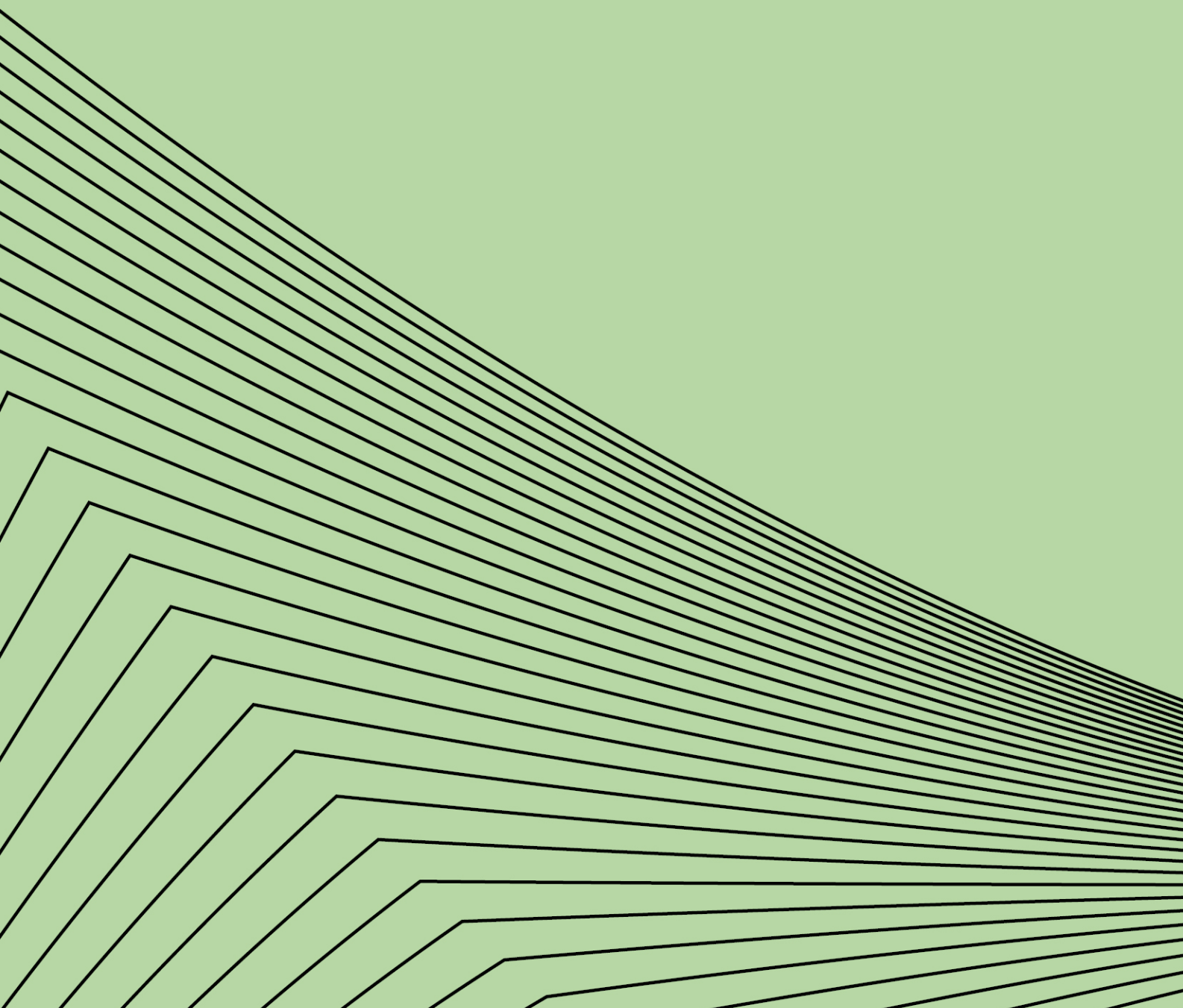
⁴ Includes New Zealand.

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03

Funding and Liquidity



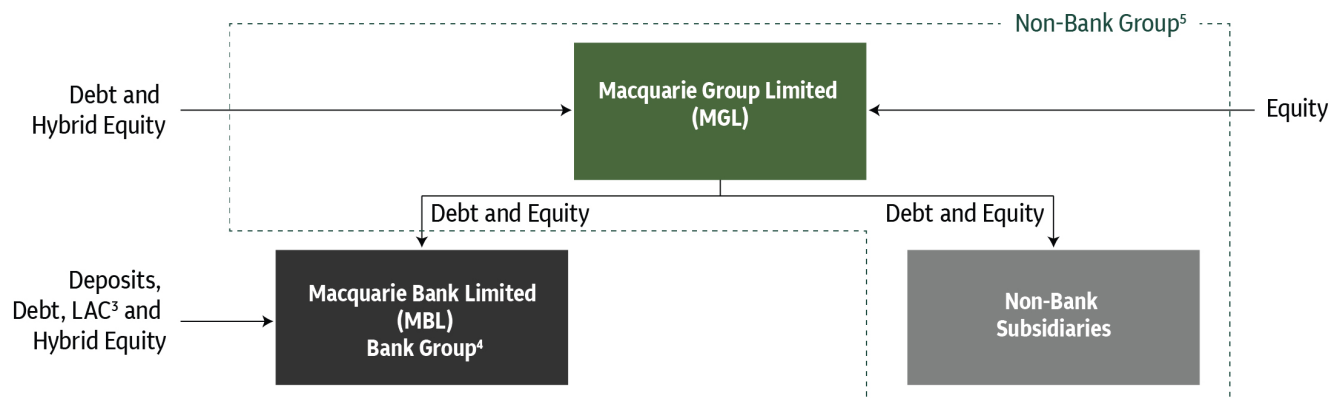


3.1 Liquidity Risk Governance and Management Framework

Governance and oversight

MGL and MBL are Macquarie's two primary external funding vehicles which have separate and distinct funding, capital and liquidity management arrangements. MGL provides funding predominantly to the Non-Bank Group¹ and limited funding to some MBL subsidiaries. MBL provides funding to the Bank Group.²

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



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

Liquidity management is performed centrally by Group Treasury, with oversight from the MGL and MBL 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 Chief Executive Officer, MBL Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Operating Officer, Group General Counsel, Head of Group Treasury and relevant Operating Group Heads.

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

Liquidity policy and risk appetite

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

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

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

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

² The Bank Group comprises BFS and CGM (excluding certain assets of the Financial Markets business, certain activities of the Commodity Markets and Finance business and some other less financially significant activities which are undertaken from within the Non-Bank Group).

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

⁴ MBL is the primary external funding vehicle for the Bank Group. MGF and MBE also operate as external funding vehicles for certain subsidiaries within the Bank Group. MIFL is no longer an external funding vehicle for the Bank Group.

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

Liquidity risk tolerance and principles

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

Risk tolerances

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

Liquidity management strategy

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

Liquidity contingency plan

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

Specifically, the plan details:

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

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

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

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

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

Funding strategy

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

The funding strategies aim to:

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

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

3.2 Management of Liquidity Risk

Scenario analysis

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

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

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

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

Liquid asset holdings

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

The cash and liquid asset portfolio contains only unencumbered assets that can be relied on to maintain their liquidity in a crisis scenario. Specifically, cash and liquid assets held to meet minimum internal and regulatory requirements must be cash balances (including central bank reserves and overnight lending to financial institutions), qualifying HQLA 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. Certain other Operating Segments also hold cash and liquid assets as part of their operations. Macquarie had \$A82.6 billion cash and liquid assets as at 30 September 2025 (31 March 2025: \$A81.1 billion), of which \$A72.0 billion was held by Macquarie Bank (31 March 2025: \$A69.2 billion).

Funds transfer pricing

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

Credit ratings¹

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

Regulatory liquidity metrics

APRA's liquidity standard (APS 210) details the local implementation of the Basel III liquidity framework for Australian banks. In addition to a range of qualitative requirements, the standard incorporates the LCR and the NSFR. The LCR and NSFR apply specifically to Macquarie Bank as a regulated ADI. As an APRA authorised and regulated Non-Operating Holding Company, MGL is required to manage liquidity in compliance with APS 210's qualitative requirements. Separate quantitative requirements are imposed internally by the MGL and MBL ALCOs and the Boards.

Liquidity Coverage Ratio

The LCR requires unencumbered liquid assets be held to cover expected net cash outflows under a combined 'idiosyncratic' and market-wide stress scenario lasting 30 calendar days. Under APS 210, the eligible stock of HQLA includes notes and coins, balances held with central banks, Australian dollar Commonwealth government and semi-government securities, as well as certain HQLA-qualifying foreign currency securities.

Macquarie Bank's three month average LCR to 30 September 2025 was 173% (average based on daily observations)². For a detailed breakdown of Macquarie Bank's LCR, please refer to Macquarie's regulatory disclosures.

Net Stable Funding Ratio

The NSFR is a twelve month structural funding metric, requiring that available stable funding be sufficient to cover required stable funding, where stable funding has an actual or assumed maturity of greater than twelve months. Macquarie Bank's NSFR as at 30 September 2025 was 113%³. For a detailed breakdown of Macquarie Bank's NSFR, please refer to Macquarie's regulatory disclosures.

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

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

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

3.3 Funded Balance Sheet

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

The table below reconciles the reported assets of Macquarie to the net funded assets as at 30 September 2025. The following pages split this between the Bank Group and the Non-Bank Group to assist in the analysis of each of the separate funding profiles of the respective entities.

	Notes	AS AT		
		Sep 25 \$Ab	Mar 25 \$Ab	Sep 24 ¹ \$Ab
Total assets per Macquarie's statement of financial position		484.2	445.2	414.3
Netted items:				
Derivative revaluation	1	(23.5)	(23.4)	(22.3)
Segregated funds	2	(9.2)	(10.6)	(10.6)
Other	3	(11.2)	(14.1)	(11.1)
Self-funded trading assets	4	(39.0)	(29.0)	(30.3)
Net funded assets		401.3	368.1	340.0

Explanatory notes concerning net funded assets

1. Derivative revaluation

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

2. Segregated funds

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

3. Other

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

4. Self-funded trading assets

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

These adjustments do not indicate the existence of an enforceable netting arrangement. For further information about balances which are subject to enforceable netting arrangements, please refer to Note 39 *Offsetting financial assets and financial liabilities* in Macquarie's Annual Report for the financial year ended 31 March 2025.

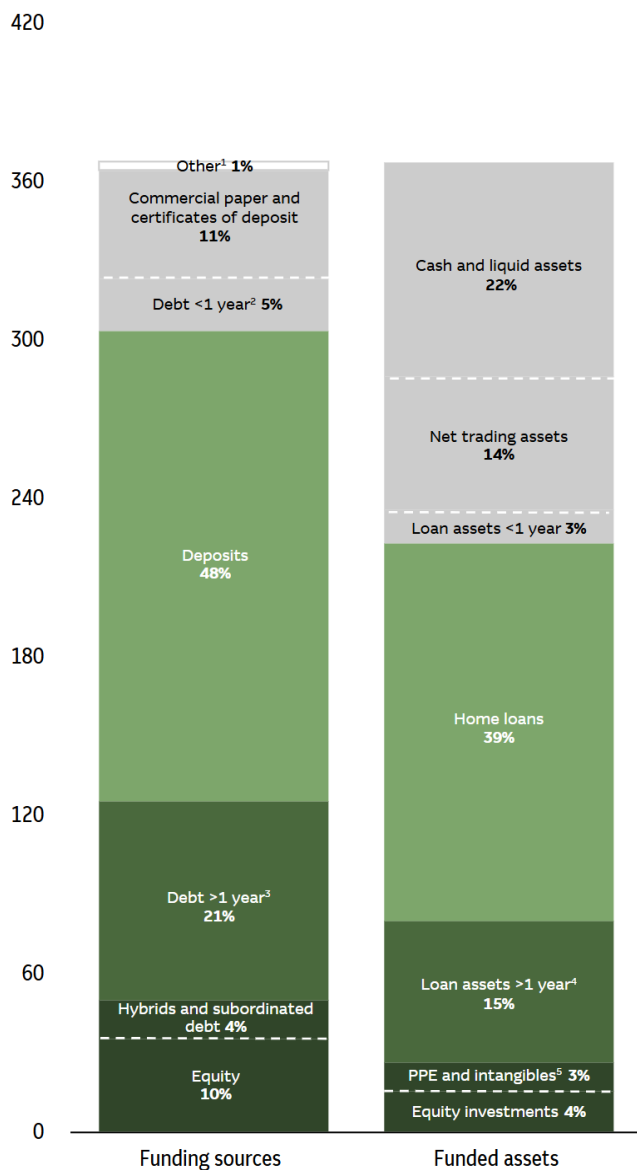
¹ Following changes to funded balance sheet methodology, prior comparatives have been restated.

3.4 Funding Profile for Macquarie

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

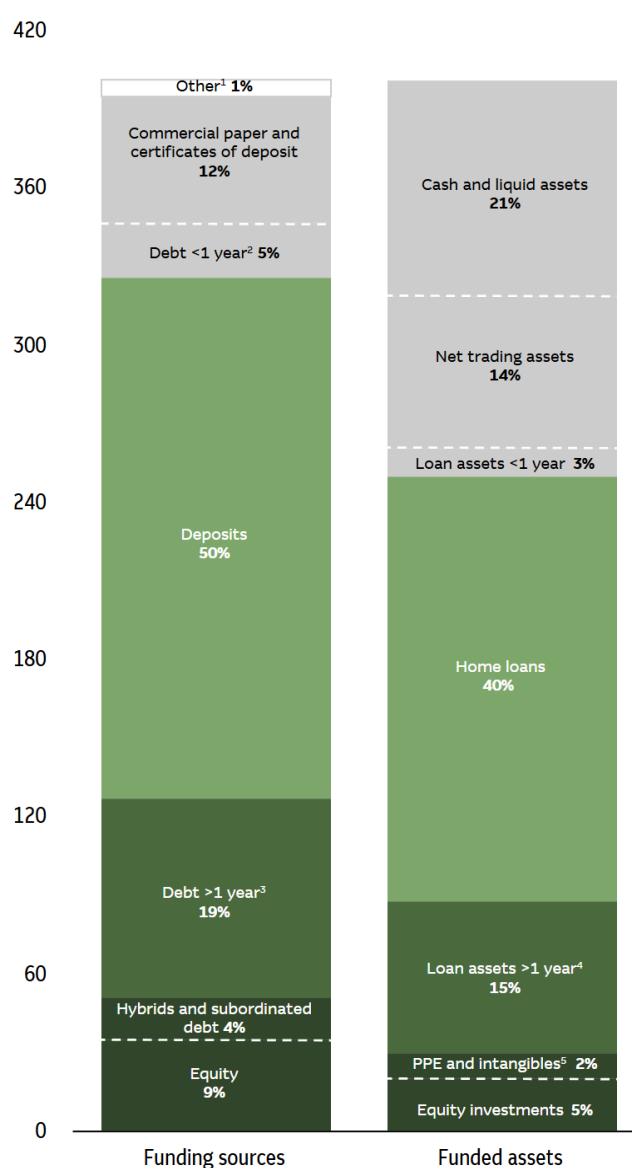
31 March 2025

\$A billion



30 September 2025

\$A billion



¹ Includes components of other liabilities, provisions, held for sale liabilities, current tax and deferred tax liabilities.

² Debt <1 year includes Subordinated debt(\$A0.8 billion at 30 September 2025), Secured funding, Bonds, Structured notes and Unsecured loans.

³ Debt >1 year includes Secured funding, Bonds, Structured notes and Unsecured loans.

⁴ Loan assets >1 year includes Debt investments.

⁵ Includes deferred tax assets.

3.4 Funding Profile for Macquarie

Continued

Funded balance sheet

		AS AT		
	Notes	Sep 25 \$Ab	Mar 25 \$Ab	Sep 24 ¹ \$Ab
Funding sources				
Commercial paper and certificates of deposit	1	47.5	41.2	37.4
Structured notes	2	2.1	2.6	2.3
Secured funding	3			
Securitisation		11.1	13.0	13.1
Other secured funding		5.3	5.3	4.4
Bonds	4	57.4	53.1	57.0
Unsecured loans	5	20.5	19.6	15.8
Deposits	6	198.8	177.7	158.5
Hybrids and subordinated debt	7	17.1	16.4	16.3
Equity	8	35.2	35.8	32.8
Other	9	6.3	3.4	2.4
Total		401.3	368.1	340.0
Funded assets				
Cash and liquid assets	10	82.6	81.1	73.5
Net trading assets	11	57.5	50.4	51.0
Loan assets less than one year	12	10.9	12.8	12.2
Home loans	13	162.0	143.3	131.4
Loan assets greater than one year	12	51.1	49.5	43.5
Debt investments	14	7.0	4.1	3.2
Equity investments ²	15	20.6	16.2	11.8
Property, plant and equipment and intangibles		9.6	10.7	13.4
Total		401.3	368.1	340.0

See section 3.7 for Notes 1-15.

¹ Following changes to funded balance sheet methodology, prior comparatives have been restated.

² Includes held for sale assets.

Term funding initiatives

Macquarie has a liability-driven approach to balance sheet management, where funding is raised prior to assets being taken on to the balance sheet. Macquarie continues to develop its presence across different funding markets and products, raising \$A15.9 billion¹ of term funding from 1 April 2025 to 30 September 2025, including:

		Bank Group \$Ab	Non-Bank Group \$Ab	Total \$Ab
Issued paper	– Senior unsecured	8.6	0.3	8.9
Secured funding	– Trade finance facilities	0.3	–	0.3
Loan facilities	– Unsecured loan facilities	0.4	3.5	3.9
Loan capital	– Subordinated debt	2.8	–	2.8
Total		12.1	3.8	15.9

¹ Issuance covers 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.

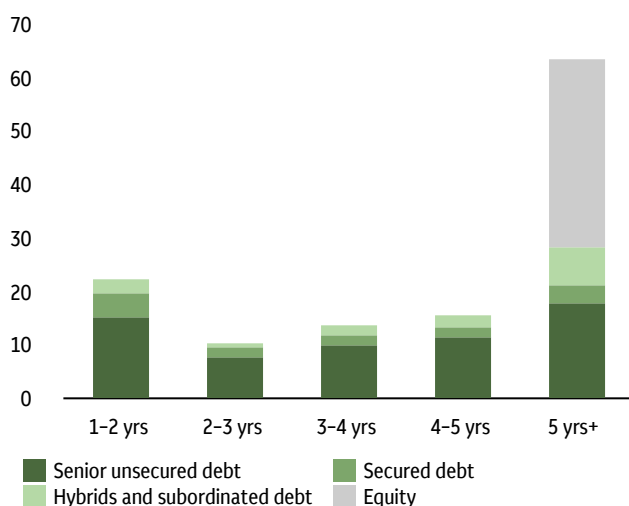
3.4 Funding Profile for Macquarie

Continued

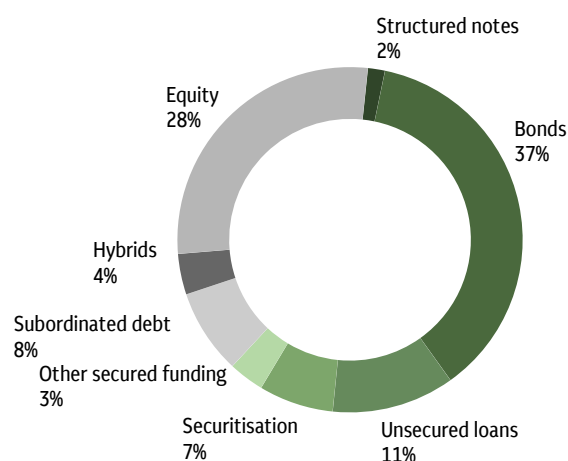
Term funding profile

Detail of drawn funding maturing beyond one year

\$A billion



Diversity of funding sources



AS AT SEP 25

	1-2 yrs \$Ab	2-3 yrs \$Ab	3-4 yrs \$Ab	4-5 yrs \$Ab	5 yrs+ \$Ab	Total \$Ab
Structured notes ¹	0.3	0.3	0.2	0.5	0.7	2.0
Bonds	13.8	7.4	7.0	6.1	12.1	46.4
Unsecured loans	1.2	-	3.0	5.0	5.3	14.5
Senior unsecured debt	15.3	7.7	10.2	11.6	18.1	62.9
Securitisation ¹	3.1	2.1	1.6	0.9	1.1	8.8
Other secured funding	1.3	-	-	0.9	2.0	4.2
Secured debt	4.4	2.1	1.6	1.8	3.1	13.0
Hybrids ²	1.8	0.7	0.8	-	1.5	4.8
Subordinated debt ²	0.8	-	1.3	2.3	5.6	10.0
Hybrids and subordinated debt	2.6	0.7	2.1	2.3	7.1	14.8
Equity	-	-	-	-	35.2	35.2
Total term funding sources drawn	22.3	10.5	13.9	15.7	63.5	125.9
Undrawn ³	1.0	0.5	3.9	0.1	0.9	6.4
Total term funding sources drawn and undrawn	23.3	11.0	17.8	15.8	64.4	132.3

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

As at 30 September 2025, Macquarie's term assets were covered by term funding >1 year, stable deposits, hybrids, subordinated debt and equity.

The weighted average term to maturity of term funding >1 year (excluding deposits, equity and securitisations) was 4.4 years as at 30 September 2025.

As at 30 September 2025, in addition to drawn term funding in table above, deposits represented \$A198.8 billion (50% of Macquarie's total funding), commercial paper and certificates of deposit represented \$A47.5 billion (12% of total funding), debt <1 year represented \$A21.3 billion (5% of total funding), hybrids with first call date <1 year represented \$A1.5 billion and other represented \$A6.3 billion (1% of total funding).

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

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

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

Deposit strategy

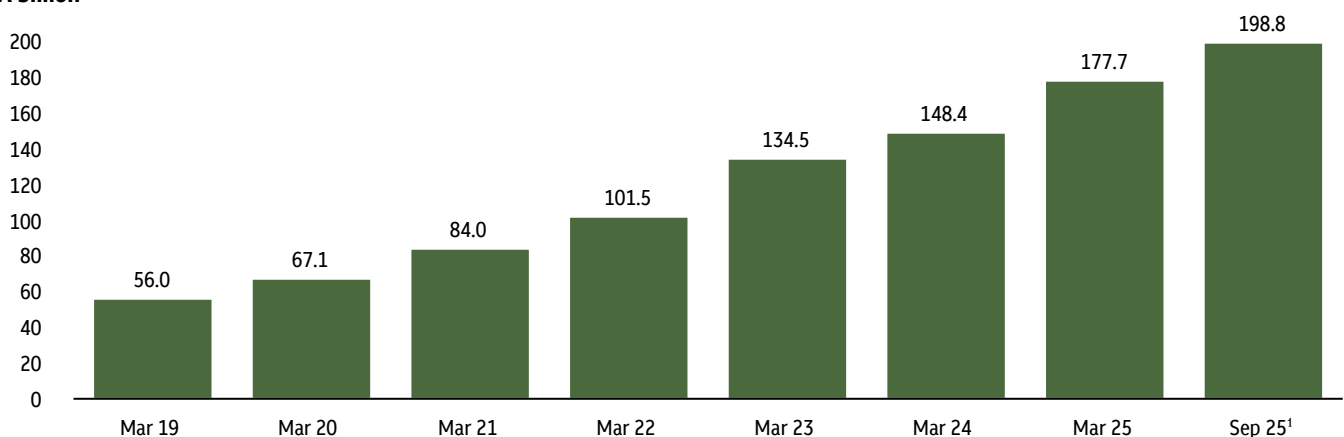
MBL continues to pursue a deposit strategy that is consistent with the core liquidity management strategy of achieving diversity and stability of funding sources. The strategy is focused on growing the BFS deposit base, which represents a stable and reliable source of funding and reduces Macquarie's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

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

The chart below illustrates the deposit growth since 31 March 2019.

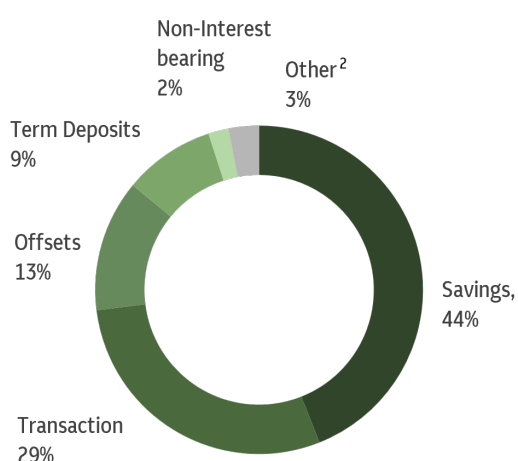
Deposits

\$A billion

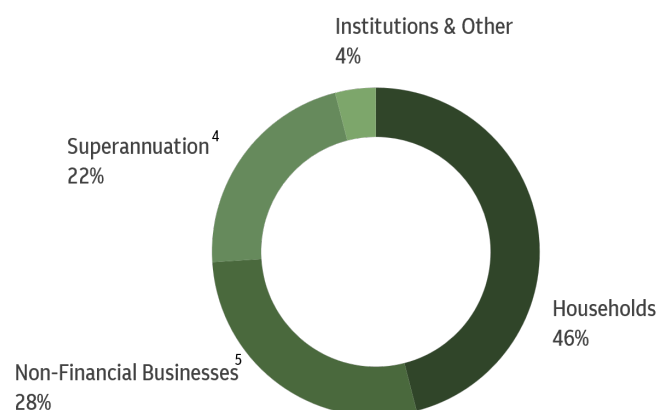


Composition of deposits

By Type¹



By Counterparty³



¹ Total deposits include BFS deposits of \$A192.5 billion and \$A6.3 billion of corporate/wholesale deposits, including those taken by MBE as at 30 September 2025.

² Includes corporate/wholesale deposits.

³ As at 30 September 2025 for Total Residents Deposits on Australian books per APRA Monthly Authorised Deposit-taking Institution Statistics (MADIS).

⁴ Predominantly Self-Managed Super Funds.

⁵ Predominantly Private Enterprises and Trusts.

3.5 Funding Profile for the Bank Group

Funded balance sheet

		AS AT		
	Notes	Sep 25 \$Ab	Mar 25 \$Ab	Sep 24 ¹ \$Ab
Funding sources				
Commercial paper and certificates of deposit	1	43.3	41.1	37.4
Structured notes	2	0.7	0.7	0.6
Secured funding	3			
Securitisation		9.0	10.8	11.0
Other secured funding		2.7	3.0	2.4
Bonds	4	25.6	18.8	22.0
Unsecured loans	5	9.1	11.1	8.9
Deposits	6	198.8	177.7	158.4
Hybrids and subordinated debt	7	13.2	12.6	12.0
Equity	8	22.7	23.0	21.1
Other	9	2.6	3.7	3.1
Total		327.7	302.5	276.9
Funded assets				
Cash and liquid assets	10	72.0	69.2	61.2
Net trading assets	11	50.9	44.0	44.0
Loan assets less than one year	12	9.9	11.4	10.5
Home loans	13	161.7	143.0	131.0
Loan assets greater than one year	12	28.2	27.0	24.7
Debt investments	14	3.8	2.7	2.5
Non-Bank Group balances with the Bank Group		(7.5)	(2.8)	(4.8)
Equity investments ²	15	2.4	0.8	0.7
Property, plant and equipment and intangibles		6.3	7.2	7.1
Total		327.7	302.5	276.9

See section 3.7 for Notes 1–15.

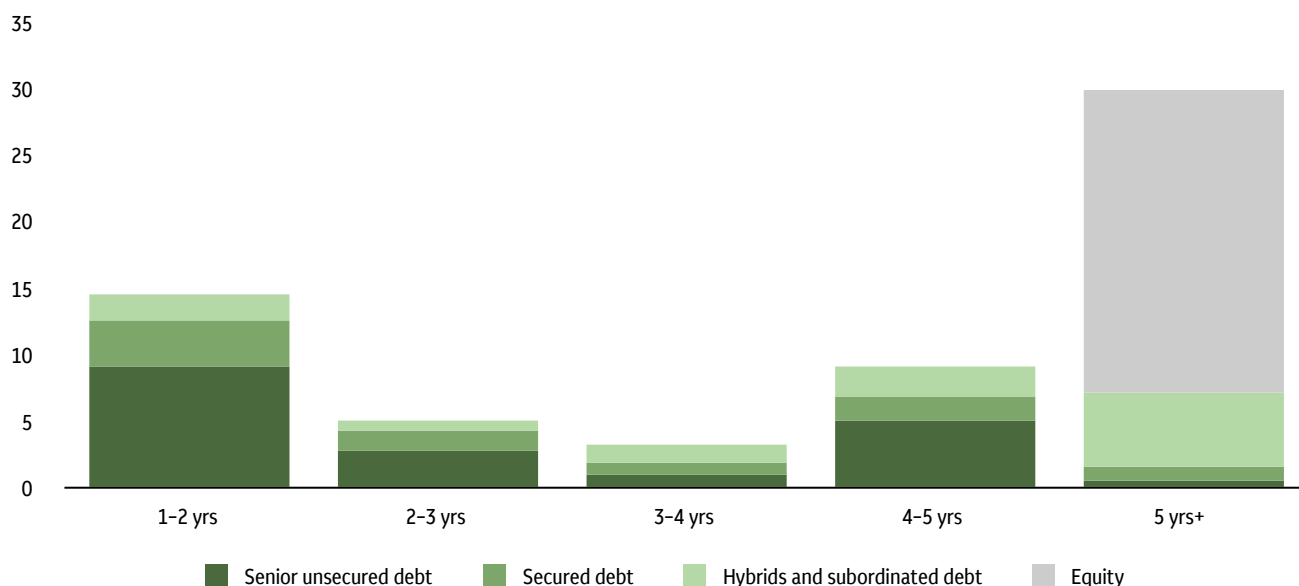
¹ Following changes to funded balance sheet methodology, prior comparatives have been restated.

² Includes held for sale loan assets.

Term funding profile

Detail of drawn funding maturing beyond one year

\$A billion



AS AT SEP 25

	1-2 yrs \$Ab	2-3 yrs \$Ab	3-4 yrs \$Ab	4-5 yrs \$Ab	5 yrs+ \$Ab	Total \$Ab
Structured notes ¹	0.1	0.1	0.1	0.1	0.3	0.7
Bonds	8.4	2.8	1.0	2.6	0.3	15.1
Unsecured loans	0.7	-	-	2.4	-	3.1
Senior unsecured debt	9.2	2.9	1.1	5.1	0.6	18.9
Securitisation ¹	2.3	1.5	0.9	0.9	1.1	6.7
Other secured funding	1.2	-	-	0.9	-	2.1
Secured debt	3.5	1.5	0.9	1.8	1.1	8.8
Hybrids ²	1.1	0.7	-	-	-	1.8
Subordinated debt ²	0.8	-	1.3	2.3	5.6	10.0
Hybrids and subordinated debt	1.9	0.7	1.3	2.3	5.6	11.8
Equity	-	-	-	-	22.7	22.7
Total term funding sources drawn	14.6	5.1	3.3	9.2	30.0	62.2
Undrawn ³	0.5	0.2	0.1	0.1	0.2	1.1
Total term funding sources drawn and undrawn	15.1	5.3	3.4	9.3	30.2	63.3

Macquarie Bank has diversity of funding across a range of tenors, currencies and products. The weighted average term to maturity of term funding >1 year (excluding deposits, equity and securitisations) was 3.7 years as at 30 September 2025.

As at 30 September 2025, in addition to drawn term funding in table above, deposits represented \$A198.8 billion (61% of the Bank Group's total funding), commercial paper and certificates of deposit represented \$A43.3 billion (13% of total funding), debt <1 year represented \$A20.2 billion (6% of total funding), hybrids with first call date <1 year represented \$A0.6 billion and other represented \$A2.6 billion (1% of total funding).

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

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

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

3.5 Funding Profile for the Bank Group

Continued

The key tools used for raising debt funding, which primarily fund MBL and the Bank Group, are as follows:¹

- \$US25 billion Regulation S Debt Instrument Programme under which \$US10.6 billion of debt securities were outstanding as at 30 September 2025
- \$US25 billion MBL Commercial Paper Program under which \$US21.8 billion of debt securities were outstanding as at 30 September 2025
- \$US25 billion US Rule 144A/Regulation S Medium-Term Note Program, including senior and subordinated notes, under which \$US10.1 billion of debt securities were outstanding as at 30 September 2025
- \$US10 billion European Commercial Paper Programme, including Euro Commercial Paper and Euro Certificates of Deposit, under which \$US6.7 billion of debt securities were outstanding as at 30 September 2025
- \$A10 billion Covered Bond Programme under which \$A2 billion of debt securities were outstanding as at 30 September 2025
- \$A10 billion Regulation S Subordinated Notes Debt Programme under which \$A3.8 billion of debt securities were outstanding as at 30 September 2025
- \$A9 billion of external securitisation of which \$A8.3 billion PUMA RMBS and \$A0.7 billion SMART ABS was drawn as at 30 September 2025
- \$US5 billion Structured Note Programme under which \$US0.5 billion of structured notes were outstanding as at 30 September 2025
- \$A3.9 billion² of Unsecured Loan Facilities of which \$A3.7 billion was drawn as at 30 September 2025
- \$A1.6 billion of other subordinated unsecured debt outstanding as at 30 September 2025; and
- \$US0.7 billion³ Secured Trade Finance Facility of which \$US0.4 billion was drawn as at 30 September 2025.

Macquarie Bank accesses the Australian capital markets through the issuance of Negotiable Certificates of Deposit. As at 30 September 2025, Macquarie Bank had \$A0.3 billion of these securities outstanding.

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

¹ Funding outstanding excludes capitalised costs.

² Includes issuance out of MGF and MBE. Values are Australian dollar equivalent as at 30 September 2025.

³ Values are US dollar equivalents as at 30 September 2025.

3.6 Funding Profile for the Non-Bank Group

Funded balance sheet

		AS AT		
	Notes	Sep 25 \$Ab	Mar 25 \$Ab	Sep 24 ¹ \$Ab
Funding sources				
Commercial paper and certificates of deposit	1	4.2	0.1	-
Structured notes	2	1.4	1.9	1.7
Secured funding	3			
Securitisation		2.1	2.2	2.1
Other secured funding		2.6	2.3	2.0
Bonds	4	31.8	34.3	35.0
Unsecured loans	5	11.4	8.5	6.9
Deposits	6	-	-	0.1
Hybrids	7	3.9	3.8	4.3
Equity	8	12.5	12.8	11.7
Other	9	3.7	(0.3)	(0.7)
Total		73.6	65.6	63.1
Funded assets				
Cash and liquid assets	10	10.6	11.9	12.3
Non-Bank Group balances with the Bank Group		7.5	2.8	4.8
Net trading assets	11	6.6	6.4	7.0
Loan assets less than one year	12	1.0	1.4	1.7
Home loans	13	0.3	0.3	0.4
Loan assets greater than one year	12	22.9	22.5	18.8
Debt investments	14	3.2	1.4	0.7
Equity investments ²	15	18.2	15.4	11.1
Property, plant and equipment and intangibles		3.3	3.5	6.3
Total		73.6	65.6	63.1

See section 3.7 for Notes 1–15.

¹ Following changes to funded balance sheet methodology, prior comparatives have been restated.

² Includes held for sale assets.

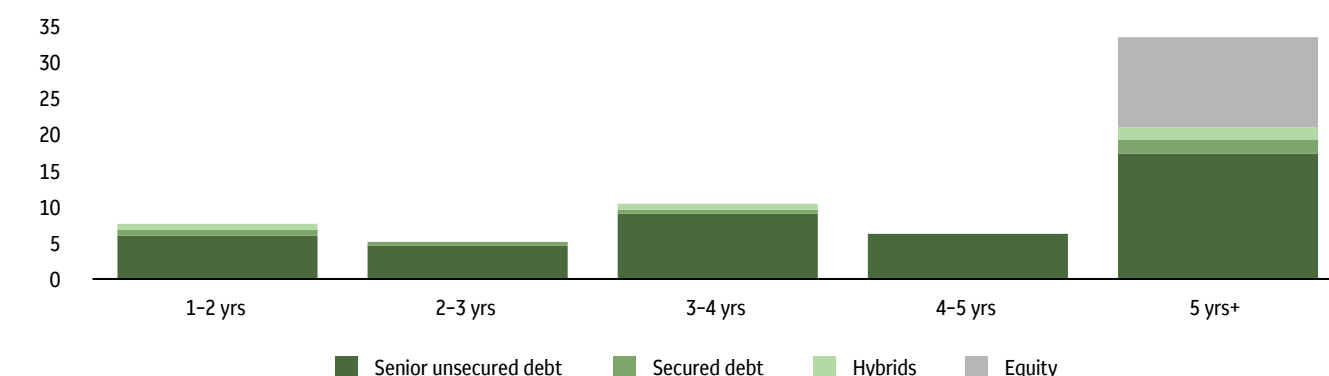
3.6 Funding Profile for the Non-Bank Group

Continued

Term funding profile

Detail of drawn funding maturing beyond one year

\$A billion



	AS AT SEP 25					Total
	1-2 yrs \$Ab	2-3 yrs \$Ab	3-4 yrs \$Ab	4-5 yrs \$Ab	5 yrs+ \$Ab	
Structured notes ¹	0.2	0.2	0.1	0.4	0.4	1.3
Bonds	5.4	4.6	6.0	3.5	11.8	31.3
Unsecured loans	0.5	-	3.0	2.6	5.3	11.4
Senior unsecured debt	6.1	4.8	9.1	6.5	17.5	44.0
Securitisation ¹	0.8	0.6	0.7	-	-	2.1
Other secured funding	0.1	-	-	-	2.0	2.1
Secured debt	0.9	0.6	0.7	-	2.0	4.2
Hybrids ²	0.7	-	0.8	-	1.5	3.0
Equity	-	-	-	-	12.5	12.5
Total term funding sources drawn	7.7	5.4	10.6	6.5	33.5	63.7
Undrawn ³	0.5	0.3	3.8	-	0.7	5.3
Total term funding sources drawn and undrawn	8.2	5.7	14.4	6.5	34.2	69.0

The weighted average term to maturity of term funding >1 year (excluding equity and securitisations) was 4.9 years as at 30 September 2025. As at 30 September 2025, commercial paper and certificates of deposit represented \$A4.2 billion (6% of total funding), debt <1 year represented \$A1.1 billion (1% of total funding), hybrids with first call date <1 year represented \$A0.9 billion (1% of total funding) and other represented \$A3.7 billion (5% of total funding).

The key tools used for raising debt funding, which primarily fund MGL and the Non-Bank Group, are as follows:⁴

- \$US25 billion US Rule 144A/Regulation S Medium-Term Note Program, under which \$US11.4 billion of debt securities were outstanding as at 30 September 2025
- \$US20 billion Regulation S Debt Instrument Programme under which \$US8.7 billion debt securities were outstanding as at 30 September 2025
- \$US10 billion MGL Commercial Paper Programme under which \$US2.8 billion of debt securities were outstanding as at 30 September 2025
- \$A15.6 billion⁵ of Unsecured Loan Facilities of which \$A11.4 billion⁵ was drawn as at 30 September 2025
- \$US5 billion Structured Note Programme under which \$US1 billion of structured notes were outstanding as at 30 September 2025
- \$US2 billion of external securitisation of which \$US1.4 billion was drawn as at 30 September 2025
- \$US1.7 billion of Muni-gas Prepayment funding outstanding as at 30 September 2025; and
- \$US0.5 billion Secured Trade Finance Facility of which \$US0.3 billion was drawn as at 30 September 2025.

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

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

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

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

⁴ Funding outstanding excludes capitalised costs.

⁵ Values are Australian dollar equivalents as at 30 September 2025.

3.7 Explanatory Notes Concerning Funding Sources and Funded Assets

1. Commercial paper and certificates of deposit

Short-term wholesale funding.

2. Structured notes

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

3. Secured funding

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

4. Bonds

Unsecured long-term wholesale funding.

5. Unsecured loans

Loan facilities not secured by specific assets or collateral.

6. Deposits

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

7. Hybrids and subordinated debt

Includes additional Tier I and Tier II instruments.

8. Equity

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

9. Other

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

10. Cash and liquid assets

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

11. Net trading assets

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

12. Loan assets

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

See section 1.1 for further information.

13. Home loans

Loans secured by mortgages over residential property.

14. Debt investments

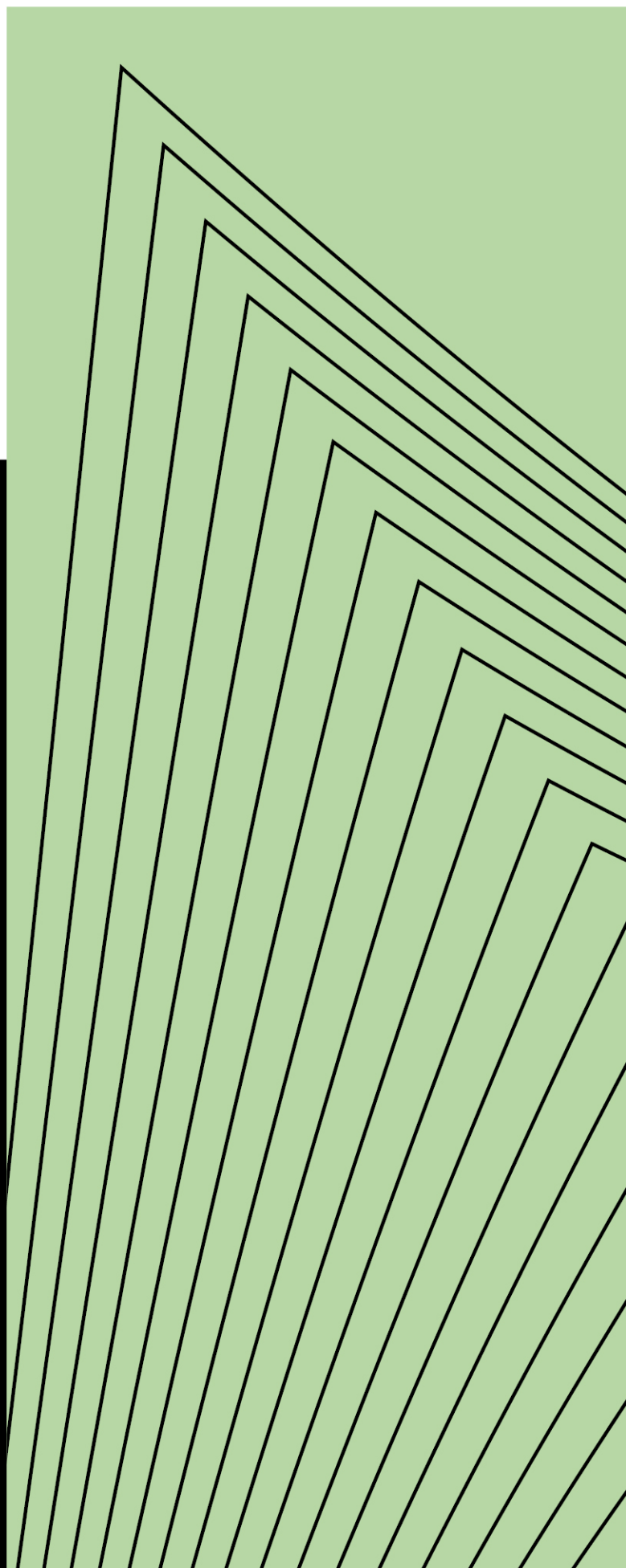
These can include various categories of debt securities including asset backed securities, bonds, commercial mortgage backed securities and residential mortgage backed securities.

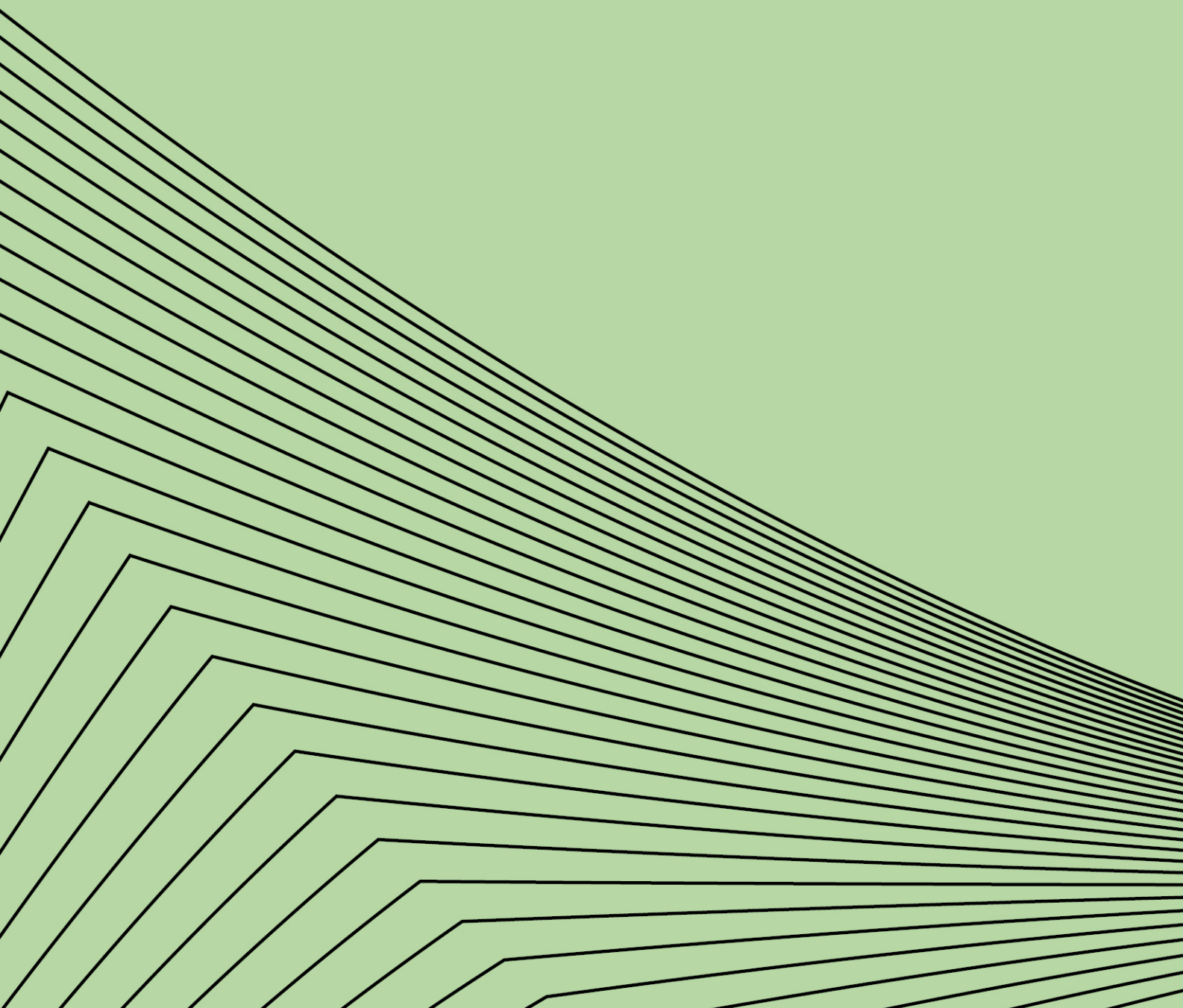
15. Equity investments

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

04

Capital





4.1 Overview

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

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

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

Transactions internal to Macquarie are eliminated.

Eligible regulatory capital of Macquarie consists of ordinary share capital, retained earnings and certain reserves plus eligible hybrid instruments. Eligible hybrid instruments as at 30 September 2025 include the Macquarie Additional Capital Securities (MACS), Macquarie Bank Capital Notes 2 (BCN2), Macquarie Bank Capital Notes 3 (BCN3), Macquarie Group Capital Notes 4 (MCN4), Macquarie Group Capital Notes 5 (MCN5), Macquarie Group Capital Notes 6 (MCN6) and Macquarie Group Capital Notes 7 (MCN7).

Pillar 3

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

Macquarie Basel III regulatory capital surplus calculation

	AS AT SEP 25	AS AT MAR 25	MOVEMENT
	APRA Basel III \$Am	APRA Basel III \$Am	APRA Basel III %
Macquarie eligible capital:			
Bank Group Gross Tier 1 capital	25,313	25,549	(1)
Non-Bank Group eligible capital	15,685	16,300	(4)
Eligible capital	40,998	41,849	(2)
Macquarie capital requirement:			
Bank Group capital requirement			
Risk-Weighted Assets (RWA) ¹	152,771	149,362	2
Capital required to cover RWA ²	16,041	15,683	2
Tier 1 deductions	3,760	3,803	(1)
Total Bank Group capital requirement	19,801	19,486	2
Total Non-Bank Group capital requirement	13,611	12,816	6
Total Macquarie capital requirement	33,412	32,302	3
Macquarie regulatory capital surplus	7,586	9,547	(21)

¹ In calculating the Bank Group's contribution to Macquarie's capital requirement, RWA internal to Macquarie are eliminated (Sep 25: \$A1,795 million; Mar 25: \$A1,596 million).

² The Bank Group regulatory requirements are calculated in accordance with Prudential Standard APS 110 *Capital Adequacy* (APS 110), at 10.5% of RWA (Mar 25: 10.5%). This includes the industry minimum Tier 1 requirement of 6.0%, CCB of 3.75% and a CCyB. The CCyB of the Bank Group at Sep 25 is 0.75% (Mar 25: 0.74%, 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.

4.2 Bank Group Capital

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

Capital disclosures in this section include APRA Basel III and Harmonised Basel III.¹ The former reflects Macquarie's regulatory requirements under APRA Basel III rules, whereas the latter is relevant for comparison with banks regulated by regulators other than APRA.

Common Equity Tier 1 Capital

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

Tier 1 Capital

Tier 1 capital consists of Common Equity Tier 1 capital and Additional Tier 1 capital (hybrids). Additional Tier 1 capital as at 30 September 2025 consists of MACS, BCN2 and BCN3.

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

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

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

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

Bank Group Basel III Tier 1 Capital

	AS AT SEP 25		AS AT MAR 25		MOVEMENT	
	APRA Basel III	Harmonised Basel III	APRA Basel III	Harmonised Basel III	APRA Basel III	Harmonised Basel III
	\$Am	\$Am	\$Am	\$Am	%	%
Common Equity Tier 1 capital						
Paid-up ordinary share capital	10,267	10,267	10,192	10,192	1	1
Retained earnings	11,476	11,213	11,249	11,047	2	2
Reserves	1,140	1,140	1,612	1,612	(29)	(29)
Gross Common Equity Tier 1 capital	22,883	22,620	23,053	22,851	(1)	(1)
Regulatory adjustments to Common Equity Tier 1 capital:						
Goodwill	-	-	42	42	(100)	(100)
Other intangible assets	24	24	28	28	(14)	(14)
Deferred tax assets	895	48	1,072	51	(17)	(6)
Net other fair value adjustments	114	114	137	137	(17)	(17)
Capitalised expenses	985	-	851	-	16	-
Shortfall in provisions for credit losses	491	296	439	236	12	25
Equity exposures	1,211	-	1,193	-	2	-
Other Common Equity Tier 1 capital deductions	40	-	41	1	(2)	(100)
Total Common Equity Tier 1 capital deductions	3,760	482	3,803	495	(1)	(3)
Net Common Equity Tier 1 capital	19,123	22,138	19,250	22,356	(1)	(1)
Additional Tier 1 Capital						
Additional Tier 1 capital instruments	2,430	2,430	2,496	2,496	(3)	(3)
Gross Additional Tier 1 capital	2,430	2,430	2,496	2,496	(3)	(3)
Deduction from Additional Tier 1 capital	-	-	-	-	-	-
Net Additional Tier 1 capital	2,430	2,430	2,496	2,496	(3)	(3)
Total Net Tier 1 capital	21,553	24,568	21,746	24,852	(1)	(1)

4.2 Bank Group Capital

Continued

Bank Group Basel III Risk-Weighted Assets (RWA)

	AS AT SEP 25		AS AT MAR 25		MOVEMENT	
	APRA Basel III	Harmonised Basel III	APRA Basel III	Harmonised Basel III	APRA Basel III	Harmonised Basel III
	\$Am	\$Am	\$Am	\$Am	%	%
Credit risk (excluding counterparty credit risk)	82,992	62,092	76,624	59,061	8	5
Counterparty credit risk	40,109	35,507	42,012	37,086	(5)	(4)
Credit risk RWA for securitisation exposures	1,083	1,469	916	1,297	18	13
Equity risk	-	3,002	-	2,983	-	1
Market risk	8,436	8,436	8,526	8,526	(1)	(1)
Interest rate risk in the banking book	3,220	-	4,154	-	(22)	-
Operational risk	18,726	17,807	18,726	17,807	-	-
Total Bank Group RWA	154,566	128,313	150,958	126,760	2	1
Capital Ratios						
Bank Group Level 2 Common Equity Tier 1 capital ratio (%)	12.4	17.3	12.8	17.6		
Bank Group Level 2 Tier 1 capital ratio (%)	13.9	19.1	14.4	19.6		

4.3 Non-Bank Group Capital

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

RISK ¹	BASEL III ²	ECAM
Credit	Capital requirement generally determined by Basel III IRB formula, with some parameters specified by the regulator (e.g. loss given default estimates for wholesale counterparties)	Capital requirement generally determined by Basel III IRB formula, but with internal estimates of key parameters
Equity	Harmonised Basel III: 250% or 400% risk weight, depending on the type of investment. Deduction from Common Equity Tier 1 above a threshold APRA Basel III: 100% Common Equity Tier 1 deduction ³	Capital requirement generally determined by extension of Basel III credit model to cover equity exposures. Capital requirement between 34% and 81% of face value; average 53%
Market	M ⁴ times 10-day 99% Value at Risk (VaR) plus M ⁴ times 10-day 99% Stressed Value at Risk (SVaR), plus a specific risk charge	Scenario-based approach
Operational	Standardised Measurement Approach	Scenario-based internal measurement approach

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

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

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

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

4.3 Non-Bank Group Capital

Continued

Non-Bank Group capital requirement

The capital requirement of the Non-Bank Group is set out in the table below.

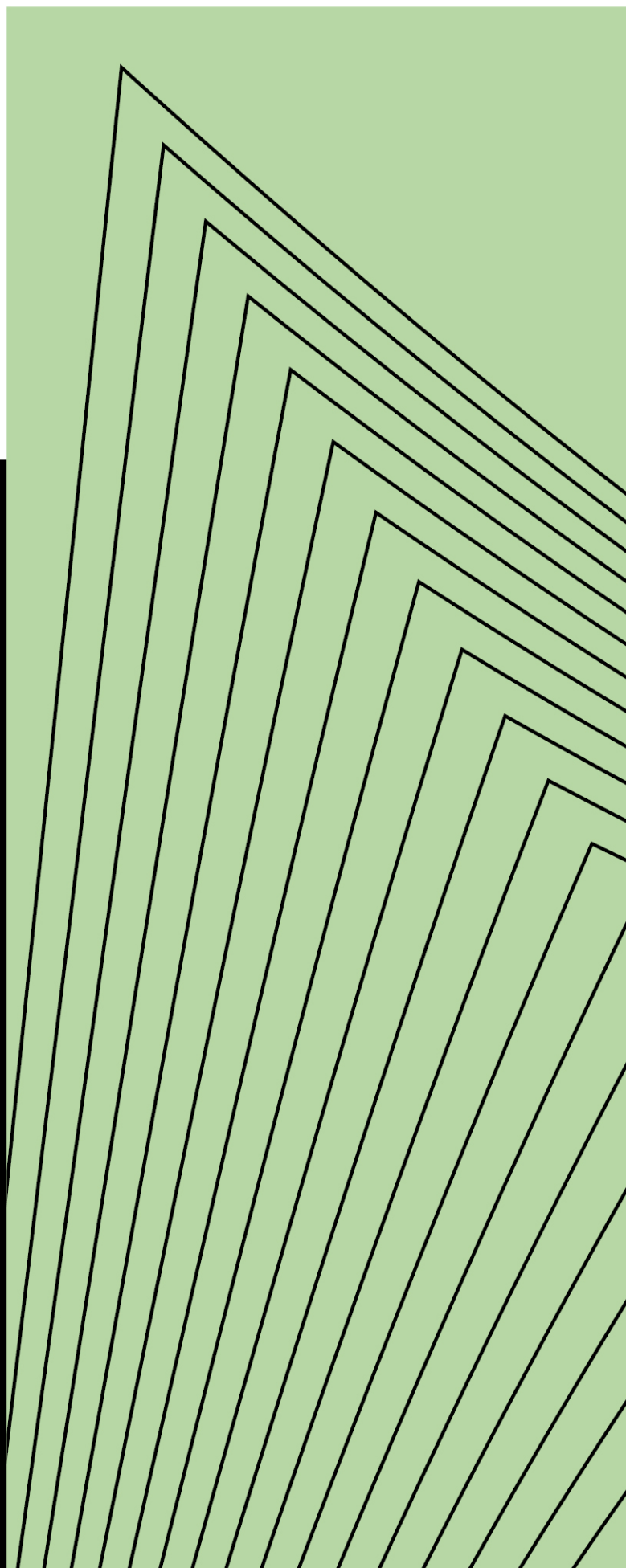
	AS AT SEP 25	AS AT MAR 25	MOVEMENT
	Capital Requirement	Capital Requirement	Capital Requirement
	\$Am	\$Am	%
Credit risk	3,544	3,080	15
Equity risk	7,449	7,621	(2)
Market risk	149	209	(29)
Operational risk	750	678	11
Other ¹	1,719	1,228	40
Total Non-Bank Group capital requirement	13,611	12,816	6

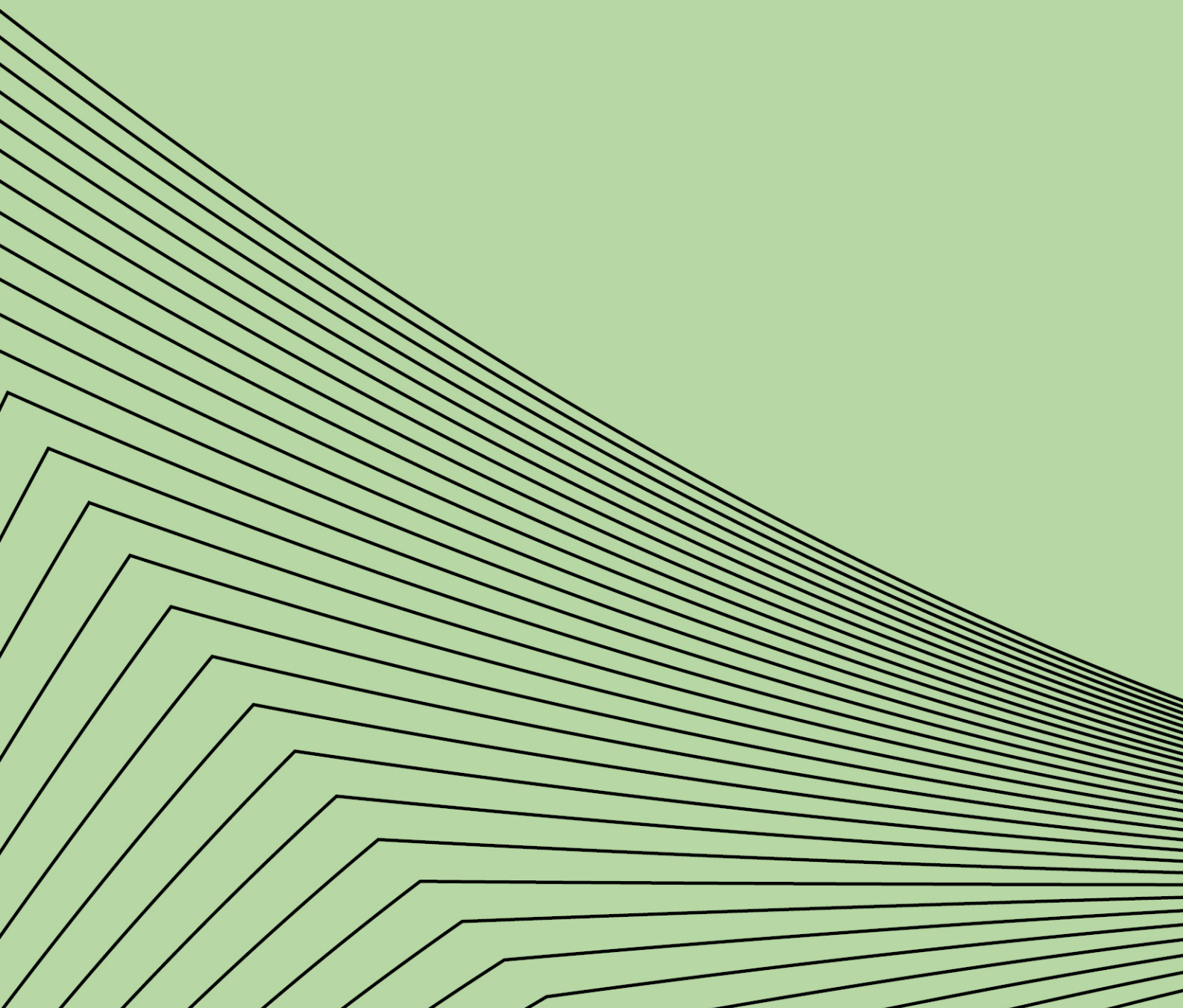
¹ Other includes capital requirements for non-traded interest rate risk, the risk on assets held as part of business operations and diversification offset. Assets held as part of business operations include: fixed assets, goodwill, intangible assets and capitalised expenses.

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06

Glossary





6.1 Glossary

Defined term	Definition
1H25	The six months ended 30 September 2024.
2H25	The six months ended 31 March 2025.
1H26	The six months ended 30 September 2025.
A	
AASB	Australian Accounting Standards Board.
ABS	Asset Backed Securities.
ADI	Authorised Deposit-taking Institution.
Additional Tier 1 Capital	A capital measure defined by APRA comprising high quality components of capital that satisfy the following essential characteristics: • provide a permanent and unrestricted commitment of funds • are freely available to absorb losses • rank behind the claims of depositors and other more senior creditors in the event of winding up of the issuer; and • provide for fully discretionary capital distributions.
Additional Tier 1 Deductions	An amount deducted in determining Additional Tier 1 Capital, as defined in Prudential Standard APS 111 <i>Capital Adequacy: Measurement of Capital</i> .
ALCO	The Asset and Liability Committee.
ANZ	Australia and New Zealand.
APRA	Australian Prudential Regulation Authority.
Asset Finance	Asset Finance is a global provider of specialist finance and asset management solutions across: Technology, Media and Telecoms; Energy, Renewables and Sustainability; Fund Finance; Resources; Structured Lending; and Shipping and Export Credit Agencies.
Assets under Management (AUM)	AUM is calculated as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises for the purpose of wealth creation, adjusted to exclude cross-holdings in funds and reflects Macquarie's proportional ownership interest of the fund manager. AUM includes equity yet to deploy in Private Markets and excludes uninvested equity in Public Investments.
Assets under Management by region	AUM by region is defined by the location of the underlying assets for funds managed by Private Markets, and the location of the investor for all other funds.
Associates	Associates are entities over which Macquarie has significant influence, but not control. Investments in associates may be further classified as Held for Sale ('HFS') associates. HFS associates are those that have a high probability of being sold within 12 months to external parties. Associates that are not held for sale are carried at cost and equity-accounted. Macquarie's share of the investment's post-acquisition profits and losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised within equity.
B	
Bank Group	MBL and its subsidiaries.
Bank Group Capital	Level 2 regulatory group capital.
Banking Group	The Banking Group comprises BFS and most business activities of CGM.
Basel III IRB Formula	A formula to calculate RWA, as defined in Prudential Standard APS 113 <i>Capital Adequacy: Internal Ratings-based Approach to Credit Risk</i> .
BCBS	Basel Committee on Banking Supervision.
BCN2	On 2 June 2020, MBL issued 6.4 million Macquarie Bank Capital Notes 2 (BCN2) at a face value of \$A100 each. BCN2 are unsecured, subordinated notes that pay discretionary, quarterly floating rate cash distributions and may be redeemed at face value on 21 December 2025, 21 June 2026 or 21 December 2026 (subject to certain conditions being satisfied) or earlier in specified circumstances. BCN2 can be converted into a variable number of MGL ordinary shares (subject to certain conditions) on these redemption dates; mandatorily exchanged on 21 December 2028; exchanged earlier upon an acquisition event (with the acquirer gaining control of MBL or MGL); where MBL's Common Equity Tier 1 capital ratio falls below 5.125%; or where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).

Defined term	Definition
BCN3	On 27 August 2021, MBL issued 6.5 million Macquarie Bank Capital Notes 3 (BCN3) at a face value of \$A100 each. BCN3 are unsecured, subordinated notes that pay discretionary, quarterly floating rate cash distributions and may be redeemed at face value on 7 September 2028, 7 March 2029 or 7 September 2029 (subject to certain conditions being satisfied) or earlier in specified circumstances. BCN3 can be converted into a variable number of MGL ordinary shares (subject to certain conditions) on these redemption dates; mandatorily exchanged on 8 September 2031; exchanged earlier upon an acquisition event (with the acquirer gaining control of MBL or MGL); where MBL's Common Equity Tier 1 capital ratio falls below 5.125%; or where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).
BBSW	Bank Bill Swap Rate.
BFS	Banking and Financial Services.
BFS deposits	BFS deposits are deposits by counterparties including individuals, self-managed super funds, and small-medium businesses. Deposit products include Cash Management Account, Term Deposits, Regulated Trust Accounts, and Transaction Accounts.
C	
CCB	Capital Conservation Buffer.
CCyB	Countercyclical Capital Buffer.
Central Service Groups	The Central Service Groups consist of the Corporate Operations Group, Financial Management, People and Engagement Group, Risk Management Group, Legal and Governance Group and Central Executive.
CGM	Commodities and Global Markets.
Common Equity Tier 1 Capital	A capital measure defined by APRA, comprising the highest quality components of capital that fully satisfy all the following essential characteristics: • provide a permanent and unrestricted commitment of funds • are freely available to absorb losses • do not impose any unavoidable servicing charge against earnings; and • rank behind the claims of depositors and other creditors in the event of winding up. Common Equity Tier 1 Capital comprises paid up capital, retained earnings, and certain reserves.
Common Equity Tier 1 Capital Ratio	Common Equity Tier 1 Capital net of Common Equity Tier 1 deductions expressed as a percentage of RWA.
Common Equity Tier 1 Deductions	An amount deducted in determining Common Equity Tier 1 Capital, as defined in Prudential Standard APS 111 <i>Capital Adequacy: Measurement of Capital</i> .
Compensation ratio	The ratio of Compensation expense to Net operating income.
Consolidated Entity	Macquarie Group Limited and its subsidiaries.
D	
Directors' Profit Share (DPS)	The DPS plan comprises exposure to a notional portfolio of Macquarie-managed funds. Retained amounts for Executive Directors are notionally invested over the retention period. This investment is described as 'notional' because Executive Directors do not directly hold securities in relation to this investment. However, the value of the retained amounts will vary as if these amounts were directly invested in actual securities, giving the Executive Directors an effective economic exposure to the performance of the securities. If the notional investment results in a notional loss, this loss will be offset against any future notional income until the loss is completely offset.
E	
Earnings on capital and other corporate income items	Net operating income includes the income generated by Macquarie's Operating Groups, income from the investment of Macquarie's capital, and certain items of operating income not attributed to Macquarie's Operating Groups. Earnings on capital and other corporate income items is net operating income less the net operating income generated by Macquarie's Operating Groups.
Earnings per share	A performance measure that measures earnings attributable to each ordinary share, defined in AASB 133: <i>Earnings Per Share</i> .
ECAM	Economic Capital Adequacy Model.
ECL	Expected Credit Losses as defined and measured in terms of AASB 9: <i>Financial Instruments</i> .

6.1 Glossary

Continued

Defined term	Definition
Effective tax rate	The income tax expense as a percentage of the profit before income tax, both adjusted for amounts attributable to non-controlling interests. The effective tax rate differs from the Australian company tax rate due to permanent differences arising from the income tax treatment of certain income and expenses as well as tax rate differentials on some of the income earned offshore.
EMEA	Europe, the Middle East and Africa.
Equity under Management (EUM)	Refer to definition in section 2.2.
Expense/Income ratio	Total operating expenses expressed as a percentage of Net operating income.
F	
Financial Report	Macquarie Group Limited Interim Financial Report.
FIRB	Foundation Internal Ratings Based Approach (for determining credit risk).
FVOCI	Fair value through other comprehensive income.
FVTPL	Fair value through profit or loss.
H	
Headcount	Headcount represents Macquarie's active permanent and variable workforce, and includes Macquarie employees (permanent and casual) and its contingent workers (contractors, agency workers and secondees), as well as staff employed in certain operationally segregated subsidiaries (OSS). Macquarie's non-executive directors are not included.
HQLA	High-quality liquid assets.
I	
International income	Operating income is classified as 'international' with reference to the geographic location from which the operating income is reported from a management perspective. This may not be the same geographic location where the operating income is recognised for reporting purposes. For example, operating income generated by work performed for clients based overseas but recognised in Australia for reporting purposes could be classified as 'international' income. Income earned in the Corporate segment is excluded from the analysis of international income.
IRRBB	Interest Rate Risk in the Banking Book.
L	
LCR	Liquidity Coverage Ratio.
LGD	Loss given default is defined as the economic loss which arises upon default of the obligor.
M	
Macquarie, the Consolidated Entity	Macquarie Group Limited and its subsidiaries.
Macquarie Bank	MBL and its subsidiaries.
MACS	On 8 March 2017, MBL, acting through its London Branch, issued \$US750 million of Macquarie Additional Capital Securities (MACS). MACS are subordinated, unsecured notes that pay discretionary, non-cumulative, semi-annual fixed rate cash distributions. Subject to certain conditions the MACS may be redeemed on 8 March 2027, or every fifth anniversary thereafter. MACS can be exchanged for a variable number of MGL ordinary shares on an acquisition event (where a person acquires control of MBL or MGL), where MBL's Common Equity Tier 1 capital ratio falls below 5.125%, or where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).
MAIF	Macquarie Asia Infrastructure Fund.
MAM	Macquarie Asset Management.
MAMHPL	Macquarie Asset Management Holdings Pty Ltd.
MBE	Macquarie Bank Europe.
MBL	Macquarie Bank Limited ABN 46 008 583 542.
MCN4	On 27 March 2019, MGL issued 9.05 million Macquarie Group Capital Notes 4 (MCN4) at a face value of \$A100 each. MCN4 are subordinated, non-cumulative, unsecured notes that pay discretionary, non-cumulative, quarterly floating rate cash distributions and may be redeemed at face value on 10 September 2026, 10 March 2027 or 10 September 2027 (subject to certain conditions being satisfied) or earlier in specified circumstances. MCN4 can be converted into a variable number of MGL ordinary shares (subject to certain conditions being satisfied) on these redemption dates; mandatorily exchanged on 10 September 2029; exchanged earlier upon an acquisition event (with the acquirer gaining control of MGL); or where APRA determines MGL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).

Defined term	Definition
MCN5	On 17 March 2021, MGL issued 7.25 million Macquarie Group Capital Notes 5 (MCN5) at a face value of \$A100 each. MCN5 are subordinated, non-cumulative, unsecured notes that pay discretionary, non-cumulative, quarterly floating rate cash distributions and may be redeemed at face value on 18 September 2027, 18 March 2028 or 18 September 2028 (subject to certain conditions being satisfied) or earlier in specified circumstances. MCN5 can be converted into a variable number of MGL ordinary shares (subject to certain conditions being satisfied) on these redemption dates; mandatorily exchanged on 18 September 2030; exchanged earlier upon an acquisition event (with the acquirer gaining control of MGL); or where APRA determines MGL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).
MCN6	On 15 July 2022, MGL issued 7.5 million Macquarie Group Capital Notes 6 (MCN6) at a face value of \$A100 each. MCN6 are subordinated, non-cumulative, unsecured notes that pay discretionary, non-cumulative, quarterly floating rate cash distributions and may be redeemed at face value on 12 September 2029, 12 March 2030 or 12 September 2030 (subject to certain conditions being satisfied) or earlier in specified circumstances. MCN6 can be converted into a variable number of MGL ordinary shares (subject to certain conditions being satisfied) on these redemption dates; mandatorily exchanged on 12 September 2032; exchanged earlier upon an acquisition event (with the acquirer gaining control of MGL); or where APRA determines MGL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).
MCN7	On 16 September 2024, MGL issued 15.0 million Macquarie Group Capital Notes 7 (MCN7) at a face value of \$A100 each. MCN7 are subordinated, non-cumulative, unsecured notes that pay discretionary, non-cumulative, quarterly floating rate cash distributions and may be redeemed at face value on 15 December 2031, 15 June 2032 or 15 December 2032 (subject to certain conditions being satisfied) or earlier in specified circumstances. MCN7 can be converted into a variable number of MGL ordinary shares (subject to certain conditions being satisfied) on these redemption dates; mandatorily exchanged on 15 December 2034; exchanged earlier upon an acquisition event (with the acquirer gaining control of MGL); or where APRA determines MGL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).
MEIF	Macquarie European Infrastructure Fund.
MEREP	Macquarie Group Employee Retained Equity Plan.
MFL	Macquarie Financial Limited.
MGF	Macquarie Global Finance Pty Limited.
MGL, the Company	Macquarie Group Limited ABN 94 122 169 279.
MIFL	Macquarie International Finance Limited.
MIP	Macquarie Infrastructure Partners.
N	
Net loan losses	The impact on the income statement of loan amounts provided for or written-off during the period, net of the recovery of any such amounts which were previously written-off or provided for in the income statement.
Net tangible assets per ordinary share	(Total equity less Non-controlling interest less the Future Income Tax Benefit plus the Deferred Tax Liability less Intangible assets) divided by the number of ordinary shares on issue at the end of the period.
Net trading income	Income that comprises gains and losses related to trading assets and liabilities and includes all realised and unrealised fair value changes and foreign exchange differences.
Non-Bank Group	MGL, MFL and its subsidiaries, MIFL and its subsidiaries and MAMHPL and its subsidiaries.
Non-Banking Group	The Non-Banking Group comprises Macquarie Capital, MAM and some business activities of CGM.
Non-GAAP metrics	Non-GAAP metrics include financial measures, ratios and other information that are neither required nor defined under Australian Accounting Standards.
NOHC	Non-Operating Holding Company.
NSFR	Net Stable Funding Ratio.
O	
Operating Groups	The Operating Groups consist of MAM, BFS, CGM and Macquarie Capital.
OTC	Over-the-counter.
P	
Private Markets	MAM Private Markets.
Public Investments	MAM Public Investments.
R	
RBA	Reserve Bank of Australia.
Return on equity	The profit after income tax attributable to Macquarie's ordinary shareholders expressed as an annualised percentage of the average total capital and reserves attributable to ordinary equity holders over the relevant period, less the average balances of FVOCI, share of associates and cash flow hedging reserves.

6.1 Glossary

Continued

Defined term	Definition
Return on tangible equity	The profit after income tax attributable to Macquarie's ordinary shareholders expressed as an annualised percentage of the average total capital and reserves attributable to ordinary equity holders over the relevant period, less the average balances of intangible assets. These intangible assets do not include any balances classified as held for sale.
Risk-weighted assets (RWA)	A risk-based measure of an entity's exposures, which is used in assessing its overall capital adequacy.
RITS	Reserve Bank Information and Transfer System.
RMBS	Residential Mortgage-Backed Securities.
S	
Senior Management	Members of Macquarie's Executive Committee and Executive Directors who have a significant management or risk responsibility in the organisation.
Subordinated debt	Debt issued by Macquarie for which agreements between Macquarie and the lenders provide, in the event of liquidation, that the entitlement of such lenders to repayment of the principal sum and interest thereon is and shall at all times be and remain subordinated to the rights of all other present and future creditors of Macquarie. Subordinated debt is classified as liabilities in the Macquarie financial statements and may be included in Tier 2 Capital.
T	
Tier 1 Capital	Tier 1 Capital comprises of (i) Common Equity Tier 1 Capital; and (ii) Additional Tier 1 Capital.
Tier 1 Capital Deductions	Tier 1 Capital Deductions comprises of (i) Common Equity Tier 1 Capital Deductions; and (ii) Additional Tier 1 Capital Deductions.
Tier 1 Capital Ratio	Tier 1 Capital net of Tier 1 Capital Deductions expressed as a percentage of RWA.
True Index products	True Index products deliver clients pre-tax index returns (before buy/sell spreads on transactions). Any under-performance is compensated by Macquarie and conversely, any out-performance is retained by Macquarie.
U	
UK	The United Kingdom.
US	The United States of America.

Contact details

Macquarie Group Limited
Principal Administrative Office
Level 1, 1 Elizabeth Street
Sydney, NSW 2000
Australia

Registered Office
Macquarie Group Limited Level
1, 1 Elizabeth Street Sydney, NSW
2000
Australia

