

2026

Management discussion and analysis

Macquarie Group
Year ended 31 March 2026





Notice to readers

The purpose of this report is to provide information supplementary to the Macquarie Group Limited Financial Report (the Financial Report) for the year ended 31 March 2026, including further detail in relation to key elements of Macquarie Group Limited and its subsidiaries' (Macquarie, the Consolidated Entity) financial performance and financial position. The report also outlines the funding and capital profile of the Consolidated Entity. Certain financial information in this report is prepared on a different basis to that contained in the Financial Report, which is prepared in accordance with Australian Accounting Standards. Where financial information presented within this report does not comply with Australian Accounting Standards, a reconciliation to the statutory information is provided.

Date of this report

This report has been prepared for the year ended 31 March 2026 and is current as at 8 May 2026.

Inside cover image

Cleco, United States

Cleco is a regulated electric utility in Louisiana, serving approximately 298,000 customers. Since 2016, Macquarie Asset Management has supported grid investment to enhance resilience and enable growth, including the company's first major data centre customer agreement, expected to increase system demand by over 10%.



Cover image

Critical Minerals and Energy, Global

Macquarie Capital's Critical Minerals and Energy team is present globally, enabling the connection of capital and opportunity across continents.

The team acted as sole financial adviser to VOC Group on the \$A5 billion sale of its 25% interest in the Rhodes Ridge Iron Ore Project to Japanese company Mitsui & Co, representing the highest-ever valuation paid for a pre-construction mining asset globally.

Explanatory notes

Comparative information and conventions

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

References to the prior year are to the 12 months ended 31 March 2025.

References to the first half are to the six months ended 30 September 2025.

References to the second half are to the six months ended 31 March 2026.

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

Independent Auditor's Report

This document should be read in conjunction with the Financial Report for the year ended 31 March 2026, which was subject to independent audit by PricewaterhouseCoopers.

PricewaterhouseCoopers' independent auditor's report to the members of Macquarie Group Limited dated 8 May 2026 was unqualified.

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

Disclaimer

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

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

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

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01

Results Overview

Home loans, Australia

Macquarie Bank is helping Australians take their next step in the property market with confidence. With some of the fastest turnaround times in the industry, customers receive an answer on their home loan application quickly.



1.1 Executive Summary

Macquarie is a global financial services group with offices in 30 markets.

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

Founded in 1969, Macquarie now employs 19,124¹ people globally, has total assets of \$A540.1 billion and total equity of \$A36.9 billion as at 31 March 2026.

Macquarie's breadth of expertise covers asset management, retail and business banking, wealth management, as well as advisory, risk and capital solutions across debt, equity, financial markets and commodities. The diversity of our operations, combined with a strong capital position and robust risk management framework, has contributed to Macquarie's 57-year record of unbroken profitability.

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

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

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

FY2026 net profit¹**\$A4,847m**

↑ 30% on prior year

FY2026 net operating income

\$A19,477m

↑ 13% on prior year

FY2026 operating expenses

\$A12,748m

↑ 5% on prior year

FY2026 return on equity

14.0%

↑ from 11.2% in the prior year

FY2026 return on tangible equity

14.8%

↑ from 12.7% in the prior year

Diversity of income²**~48%****~28%****~24%**

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 FY2026 net operating income.

1.1 Executive Summary

Continued

FY2026 net profit contribution¹ by Operating Group

Summary of the Operating Groups' performance for the year ended 31 March 2026.

Non-Banking Group	<p>Macquarie Asset Management (MAM) \$A2,602m</p> <p>↑ 27% on prior year due to</p> <ul style="list-style-type: none"> increased performance fees from Private Markets-managed funds, managed accounts and co-investors increased net investment income primarily driven by the gain on sale of the North American and European Public Investments business ("divested business") in the second half, net of associated transaction and separation costs, partially offset by the gain on sale of Macquarie Rotorcraft in the prior year. <p>Partially offset by:</p> <ul style="list-style-type: none"> lower base fees and other fee and commission income, partially offset by lower total operating expenses following the sale of the divested business in the second half. 	<p>Macquarie Capital \$A1,491m</p> <p>↑ 43% on prior year due to</p> <ul style="list-style-type: none"> higher net investment income, primarily due to gains on the equity investment portfolio driven by exits in the infrastructure and technology sectors higher net interest income primarily from the private credit portfolio, which benefitted from \$A2.5 billion² of growth in average drawn loan assets higher fee and commission income driven mainly by higher mergers and acquisitions fee income, particularly in the Americas and ANZ, and higher brokerage fee income due to increased market activity, particularly in Asia. <p>Partially offset by:</p> <ul style="list-style-type: none"> higher impairment charges driven by a small number of underperforming assets higher share of net losses from associates and joint ventures which reflected changes in the composition and performance of the investment portfolio.
	<p>Banking and Financial Services (BFS) \$A1,610m</p> <p>↑ 17% on prior year due to</p> <ul style="list-style-type: none"> higher net interest income primarily driven by growth in the average loan and deposit portfolios, partially offset by lower margins reflecting changes in portfolio mix and lending and deposit competition higher fee and commission income driven by growth in average funds on platform, the loan portfolio and BFS deposits. <p>Partially offset by:</p> <ul style="list-style-type: none"> higher operating expenses reflecting increased technology expenses to support business growth and scalable operations. 	<p>Commodities and Global Markets (CGM)³ \$A4,221m</p> <p>↑ 49% on prior year due to</p> <ul style="list-style-type: none"> increased net investment income primarily due to the gain on sale from the divestment of the OnStream meters platform and other Asset Finance investment activity in the technology and energy sectors increased risk management income primarily driven by increased client hedging activity across Global Gas and Power businesses and Global Oil increased inventory management and trading income driven by supply and demand imbalances in North American Gas and Power and oil trading, partially offset by timing of income recognition on gas storage and transport contracts. <p>Partially offset by:</p> <ul style="list-style-type: none"> higher operating expenses reflecting increased investment in the CGM platform, including adjacent business opportunities, significant transaction-related costs and higher brokerage expenses higher credit and other impairment charges driven by portfolio growth, uncertainty in the macroeconomic environment and specific impairments for a small number of counterparties.
	<p>Corporate Net loss of \$A5,077m</p> <p>↑ 42% on prior year due to</p> <ul style="list-style-type: none"> higher employment expenses driven by higher performance-related profit share higher income tax expense driven by the performance of the group, as well as the geographical composition and nature of earnings lower net investment income primarily driven by the non-recurrence of asset realisations in Green Investments higher other charges driven by impairments of Green Investments and the non-recurrence of a gain on the sale of centrally held assets, partially offset by lower net expenditure on Green Investment platforms. 	

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

² Average volume calculation is based on balances converted at spot foreign exchange rates as at 31 March 2026.

³ Certain activities in the Financial Markets and Commodity Markets and Finance businesses are undertaken from within the Non-Banking Group.

Profit attributable to the ordinary equity holders

\$A4,847m

↑ 30% on prior year

	HALF YEAR TO			FULL YEAR TO		
	Mar 26 \$Am	Sep 25 \$Am	Movement %	Mar 26 \$Am	Mar 25 \$Am	Movement %
Financial performance summary						
Net interest income	2,085	2,066	1	4,151	3,507	18
Net trading income	3,563	2,445	46	6,008	5,370	12
Net interest and trading income	5,648	4,511	25	10,159	8,877	14
Fee and commission income	3,315	3,901	(15)	7,216	6,790	6
Net investment income	2,440	336	*	2,776	1,338	107
Share of net profits/(losses) from associates and joint ventures	101	(50)	*	51	167	(69)
Net credit impairment charges	(461)	(17)	*	(478)	(266)	80
Net other impairment charges	(218)	(12)	*	(230)	(95)	142
Net other operating (charges)/income						
Net operating lease income	317	219	45	536	561	(4)
Net other (charges)/income	(356)	(197)	81	(553)	(164)	237
Net other operating (charges)/income	(39)	22	*	(17)	397	*
Net operating income	10,786	8,691	24	19,477	17,208	13
Compensation expenses	(4,052)	(3,734)	9	(7,786)	(7,255)	7
Other employment expenses	(209)	(222)	(6)	(431)	(405)	6
Employment expenses	(4,261)	(3,956)	8	(8,217)	(7,660)	7
Brokerage, commission and fee expenses	(595)	(628)	(5)	(1,223)	(1,206)	1
Non-salary technology expenses	(633)	(634)	(<1)	(1,267)	(1,200)	6
Other operating expenses	(1,020)	(1,021)	(<1)	(2,041)	(2,074)	(2)
Total operating expenses	(6,509)	(6,239)	4	(12,748)	(12,140)	5
Operating profit before income tax	4,277	2,452	74	6,729	5,068	33
Income tax expense	(1,089)	(771)	41	(1,860)	(1,326)	40
Profit after income tax	3,188	1,681	90	4,869	3,742	30
Loss/(profit) attributable to non-controlling interests	4	(26)	*	(22)	(27)	(19)
Profit attributable to ordinary equity holders of Macquarie Group Limited	3,192	1,655	93	4,847	3,715	30
Key metrics						
Expense to income ratio (%)	60.3	71.8		65.5	70.5	
Compensation ratio (%)	37.6	43.0		40.0	42.2	
Effective tax rate (%)	25.5	31.4		27.6	26.2	
Basic earnings per share (cents per share)	840.7	436.7		1,277.0	979.4	
Diluted earnings per share (cents per share)	822.8	435.0		1,266.9	975.5	
Dividend per ordinary share (cents per share)	420.0	280.0		700.0	650.0	
Ordinary dividend payout ratio (%)	50.1	64.4		55.0	66.7	
Annualised return on equity (%)	18.3	9.6		14.0	11.2	
Annualised return on tangible equity (%)	19.4	10.2		14.8	12.7	

1.1 Executive Summary

Continued

Net operating income

Net operating income of \$A19,477 million for the year ended 31 March 2026 increased 13% from \$A17,208 million in the prior year. The increase was primarily driven by higher investment income, net interest and trading income and fee and commission income. This was partially offset by lower net other operating income and higher credit and other impairment charges.

Net interest and trading income

FULL YEAR TO		↑ 14% on prior year
31 Mar 26	31 Mar 25	
\$Am	\$Am	
10,159	8,877	

Largely driven by:

- higher risk management income primarily due to increased client hedging activity across Global Gas and Power businesses and Global Oil, in CGM
- higher inventory management and trading income driven by supply and demand imbalances in North American Gas and Power and oil trading, partially offset by timing of income recognition on gas storage and transport contracts, in CGM
- higher net interest income due to growth in the average loan and deposit portfolios, in BFS
- higher interest income driven mainly by InEvo Re and lower funding costs following the sale of Macquarie Rotorcraft, in MAM
- higher net interest income due to growth in the average private credit portfolio in Macquarie Capital.

Partially offset by:

- lower margins reflecting changes in portfolio mix and lending and deposit competition, in BFS.

Fee and commission income

FULL YEAR TO		↑ 6% on prior year
31 Mar 26	31 Mar 25	
\$Am	\$Am	
7,216	6,790	

Largely driven by:

- higher performance fees from Private Markets-managed funds as well as funds managed on behalf of wealth investors, managed accounts and co-investors, in MAM
- higher advisory fee income, particularly in the Americas and ANZ, and higher brokerage fee income mainly due to increased market activity, particularly in Asia, in Macquarie Capital
- higher structuring fees in commodities products and increased client activity in Futures, in CGM.

Partially offset by:

- lower base fees following the sale of the divested business in MAM.

Net investment income

FULL YEAR TO		↑ substantially on prior year
31 Mar 26	31 Mar 25	
\$Am	\$Am	
2,776	1,338	

Largely driven by:

- the gain on sale from the divestment of the OnStream meters platform, in CGM
- higher gains on the equity investment portfolio, primarily driven by exits in the infrastructure and technology sectors, in Macquarie Capital
- the net gain on sale of the divested business in MAM.

Partially offset by:

- the gain on sale of Macquarie Rotorcraft in the prior year in MAM
- the non-recurrence of asset realisations in Green Investments in Corporate.

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

FULL YEAR TO		↓ 69% on prior year
31 Mar 26	31 Mar 25	
\$Am	\$Am	
51	167	

Largely driven by:

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

Partially offset by:

- revaluation gains in MAM.

Credit and other impairment charges

FULL YEAR TO		↑ 96% on prior year
31 Mar 26	31 Mar 25	
\$Am	\$Am	
(708)	(361)	

Largely driven by:

- higher credit impairment charges primarily due to portfolio growth, uncertainty in the macroeconomic environment and specific impairments for a small number of counterparties
- higher other impairment charges driven by a small number of underperforming assets in Macquarie Capital.

Net other operating (charges)/income

FULL YEAR TO		↓ substantially on prior year
31 Mar 26	31 Mar 25	
\$Am	\$Am	
(17)	397	

Largely driven by:

- higher impairments of Green Investments in Corporate
- the non-recurrence of gains on sale of centrally held assets in Corporate
- the non-recurrence of operating lease income following the sale of Macquarie Rotorcraft and the remeasurement of reinsurance and related obligations in InEvo Re, in MAM.

Partially offset by:

- lower net expenditure on Green Investment platforms in Corporate
- increased contribution from the meters sector in CGM.

Operating expenses

Total operating expenses of \$A12,748 million for the year ended 31 March 2026 increased 5% from \$A12,140 million in the prior year, primarily driven by higher employment expenses.

Employment expenses

FULL YEAR TO		↑ 7% on prior year
31 Mar 26	31 Mar 25	
\$Am	\$Am	
8,217	7,660	

Largely driven by:

- higher performance-related profit share
- wage inflation.

Non-salary technology expenses

FULL YEAR TO		↑ 6% on prior year
31 Mar 26	31 Mar 25	
\$Am	\$Am	
1,267	1,200	

Largely driven by:

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

Brokerage, commission and fee expenses

FULL YEAR TO		↑ 1% on prior year
31 Mar 26	31 Mar 25	
\$Am	\$Am	
1,223	1,206	

Largely driven by:

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

Other operating expenses

FULL YEAR TO		↓ 2% on prior year
31 Mar 26	31 Mar 25	
\$Am	\$Am	
2,041	2,074	

Largely driven by:

- lower expenses due to the sale of the divested business in MAM.

Partially offset by:

- higher expenses due to increased investment in the CGM platform, including adjacent business opportunities and significant transaction-related costs, in CGM.

Income tax expense and Effective tax rate

Income tax expense

FULL YEAR TO		↑ 40% on prior year
31 Mar 26	31 Mar 25	
\$Am	\$Am	
1,860	1,326	

Effective tax rate

FULL YEAR TO		↑ 1.4% on prior year
31 Mar 26	31 Mar 25	
%	%	
27.6	26.2	

This movement was largely driven by the performance of the group, as well as the geographical composition and nature of earnings.

1.1 Executive Summary

Continued

Statement of financial position

	AS AT		MOVEMENT
	Mar 26 \$Ab	Mar 25 \$Ab	Mar 25 %
Assets			
Cash and bank balances	23.4	26.4	(11)
Cash collateralised lending and reverse repurchase agreements	83.0	66.6	25
Trading assets	42.8	35.0	22
Margin money and settlement assets	28.5	26.6	7
Derivative assets	43.5	24.3	79
Financial investments	31.0	21.5	44
Held for sale assets	5.4	6.6	(18)
Other assets	14.3	14.2	1
Loan assets	253.5	205.6	23
Interests in associates and joint ventures	6.3	7.7	(18)
Property, plant and equipment and right-of-use assets	4.2	6.9	(39)
Intangible assets	2.2	1.7	29
Deferred tax assets	2.0	2.1	(5)
Total assets	540.1	445.2	21
Liabilities			
Cash collateralised borrowing and repurchase agreements	7.4	4.9	51
Trading liabilities	12.5	5.8	116
Margin money and settlement liabilities	35.9	28.8	25
Derivative liabilities	37.7	23.4	61
Deposits	221.5	177.7	25
Held for sale liabilities	1.4	1.9	(26)
Other liabilities	18.5	15.0	23
Issued debt securities and other borrowings	150.0	135.2	11
Deferred tax liabilities	0.4	0.3	33
Total liabilities excluding loan capital	485.3	393.0	23
Loan capital	17.9	16.4	9
Total liabilities	503.2	409.4	23
Net assets	36.9	35.8	3
Equity			
Contributed equity	11.2	11.1	1
Reserves	3.1	4.8	(35)
Retained earnings	21.8	19.5	12
Total capital and reserves attributable to ordinary equity holders of Macquarie Group Limited	36.1	35.4	2
Non-controlling interests	0.8	0.4	100
Total equity	36.9	35.8	3

Statement of financial position

The Consolidated Entity's Statement of financial position was impacted during the year ended 31 March 2026 by changes resulting from a combination of business activities, Group Treasury management initiatives and macroeconomic factors.

Assets

Total assets of \$A540.1 billion as at 31 March 2026 increased 21% from \$A445.2 billion as at 31 March 2025.

The principal drivers for the increase were as follows:

- loan assets of \$A253.5 billion as at 31 March 2026 increased 23% from \$A205.6 billion as at 31 March 2025, driven by volume growth in BFS home loans and corporate, commercial and other lending, in CGM
- derivative assets of \$A43.5 billion as at 31 March 2026 increased 79% from \$A24.3 billion as at 31 March 2025, driven by movements in gas and power commodity prices due to market volatility. After taking into account related financial instruments, cash and other collateral, the residual derivative exposure was \$A12.4 billion (31 March 2025: \$A7.2 billion). The majority of the residual derivative exposure is short-term in nature and managed within the Consolidated Entity's market and credit risk frameworks, with a substantial portion of the exposure with investment grade counterparties
- cash collateralised lending and reverse repurchase agreements of \$A83.0 billion as at 31 March 2026 increased 25% 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
- trading assets of \$A42.8 billion as at 31 March 2026 increased 22% from \$A35.0 billion as at 31 March 2025, driven by an increase in holdings of listed equity securities, in CGM
- financial investments of \$A31.0 billion as at 31 March 2026 increased 44% from \$A21.5 billion as at 31 March 2025, driven by growth in the portfolios of high quality liquid assets held across Group Treasury's liquidity portfolio and in MAM.

Liabilities

Total liabilities of \$A503.2 billion as at 31 March 2026 increased 23% from \$A409.4 billion as at 31 March 2025.

The principal drivers for the increase were as follows:

- deposits of \$A221.5 billion as at 31 March 2026 increased 25% from \$A177.7 billion as at 31 March 2025, driven by volume growth in deposits, in BFS
- derivative liabilities of \$A37.7 billion as at 31 March 2026 increased 61% from \$A23.4 billion as at 31 March 2025, commensurate with the movement in derivative assets
- issued debt securities and other borrowings of \$A150.0 billion as at 31 March 2026 increased 11% 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
- margin money and settlement liabilities of \$A35.9 billion as at 31 March 2026 increased 25% from \$A28.8 billion as at 31 March 2025, driven by an increase in margin placed by financial institutions and broker settlement balances, in CGM
- trading liabilities of \$A12.5 billion as at 31 March 2026 increased 116% from \$A5.8 billion as at 31 March 2025, driven by an increase in short positions on listed equity securities, in CGM.

Equity

Total equity of \$A36.9 billion as at 31 March 2026 increased 3% from \$A35.8 billion as at 31 March 2025.

The principal drivers for the increase were as follows:

- \$A4.8 billion of earnings generated during the current period.

Partially offset by:

- \$A2.5 billion in dividend payments
- \$A1.7 billion decrease in the foreign currency translation reserve, largely driven by the appreciation of the Australian Dollar against the United States Dollar.

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
		Mar 26 \$Ab	Mar 25 \$Ab	Mar 25 %
BFS				
Home loans	1	183.0	143.0	28
Business banking	2	18.1	16.6	9
Car loans	3	0.1	2.6	(96)
Other	4	0.3	0.2	50
Total BFS		201.5	162.4	24
CGM				
Asset finance	5	5.0	4.3	16
Resources and commodities	6	4.8	3.7	30
Foreign exchange, interest rate and credit	7	12.8	10.5	22
Other	8	3.4	0.4	*
Total CGM		26.0	18.9	38
MAM				
Other	9	1.3	0.2	*
Total MAM		1.3	0.2	*
Macquarie Capital				
Corporate and other lending ¹	10	24.7	24.1	2
Total Macquarie Capital		24.7	24.1	2
Total²		253.5	205.6	23

¹ Includes loans secured by mortgages over residential property.

² Total loan assets per funded balance sheet includes self-securitised assets.

Explanatory notes concerning asset security of funded loan asset portfolio

1. Home loans

Loans secured by mortgages over residential property.

2. Business banking

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

3. Car loans

Secured by motor vehicles.

4. BFS Other

Includes credit cards.

5. Asset finance

Predominantly secured by underlying financed assets.

6. Resources and commodities

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

7. Foreign exchange, interest rate and credit

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

8. CGM Other

Predominantly short-term transaction funding.

9. MAM Other

Secured by underlying financial 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
	Mar 26 \$Ab	Mar 25 \$Ab	Mar 25 %
Equity investments			
Statement of financial position			
Equity investments at fair value	2.2	1.8	22
Interest in associates and joint ventures ¹	8.9	9.1	(2)
Total equity investments per statement of financial position	11.1	10.9	2
Adjustment for funded balance sheet			
Non-controlling interests ²	(0.3)	(0.2)	50
Total funded equity investments	10.8	10.7	1
Adjustment for equity investment analysis			
Subsidiaries and certain other assets held for investment purposes ³	2.2	2.7	(19)
Total adjusted equity investments⁴	13.0	13.4	(3)

¹ Includes total interests in associates and joint ventures as per Note 24 of the Annual Report and interests in associates and joint ventures classified as held for sale as per Note 18 of the Annual Report.

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

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

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

Equity investments by category

Category	AS AT		MOVEMENT
	Mar 26 \$Ab	Mar 25 \$Ab	Mar 25 %
MAM			
Macquarie Asset Management Private Markets-managed funds	3.0	2.6	15
Transport, industrial, real estate, infrastructure and technology	2.0	1.9	5
Investments acquired to seed new Private Markets-managed products and mandates	0.7	0.9	(22)
Total MAM	5.7	5.4	6
Macquarie Capital			
Growth & Technology and Venture Capital	2.1	1.8	17
Infrastructure & Energy Capital	1.7	2.1	(19)
Principal Finance	1.6	1.9	(16)
Total Macquarie Capital	5.4	5.8	(7)
Green Energy	0.7	1.3	(46)
Corporate and Other ¹	1.2	0.9	33
Total Other	1.9	2.2	(14)
Total equity investments	13.0	13.4	(3)

¹ Other includes BFS and CGM.

02

Segment Analysis

Port of Newcastle, Australia

The Port of Newcastle is the largest deepwater port on Australia's east coast. Macquarie Asset Management is supporting the port's diversification strategy beyond its traditional coal export base, including the development of a 220-hectare clean energy precinct, container terminal and expansion of bulk cargo terminal operations.





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).

Internally, Macquarie uses net profit contribution as a measure of performance of its reportable segments.

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

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

- **MAM** which is a leading global asset manager that provides a diverse range of investment solutions 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 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 certain legacy investments transferred to Corporate for strategic management, changes in central overlays to credit and other impairments or valuation of assets, provisions for uncertain or 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.

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.

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.

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 expense

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

Income tax

The income tax expense and benefit is recognised in the Corporate segment and is not allocated to the Operating Groups. However, to recognise an Operating Group's contribution to permanent income tax differences, the internal management revenue/(charge) category is used. In circumstances where income tax returns have not yet been lodged, the timing of recognition of any benefit or impact is subject to Senior Management discretion.

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
Full year ended 31 March 2026		
Net interest and trading (expense)/income	(289)	2,899
Fee and commission income/(expense)	4,320	668
Net investment income/(losses)	492	1
Share of net profits/(losses) from associates and joint ventures	183	-
Other operating income and charges		
Net credit and other impairment (charges)/reversals	(26)	(36)
Net other operating income and charges	(27)	-
Internal management revenue/(charge)	79	1
Net operating income	4,732	3,533
Total operating expenses	(2,122)	(1,923)
Operating profit/(loss) before income tax	2,610	1,610
Income tax expense	-	-
(Profit)/loss attributable to non-controlling interests	(8)	-
Net profit/(loss) contribution	2,602	1,610
Full year ended 31 March 2025		
Net interest and trading (expense)/income	(514)	2,717
Fee and commission income/(expense)	4,212	611
Net investment income/(losses)	399	(35)
Share of net profits/(losses) from associates and joint ventures	245	(1)
Other operating income and charges		
Net credit and other impairment charges	(6)	(45)
Net other operating income and charges	261	(7)
Internal management (charge)/revenue	(7)	(3)
Net operating income	4,590	3,237
Total operating expenses	(2,515)	(1,857)
Operating profit/(loss) before income tax	2,075	1,380
Income tax expense	-	-
(Profit)/loss attributable to non-controlling interests	(26)	-
Net profit/(loss) contribution	2,049	1,380

CGM \$Am	Macquarie Capital \$Am	Corporate \$Am	Total \$Am
5,670	923	956	10,159
659	1,602	(33)	7,216
1,229	1,084	(30)	2,776
60	(218)	26	51
(342)	(309)	5	(708)
539	(27)	(502)	(17)
(13)	3	(70)	-
7,802	3,058	352	19,477
(3,595)	(1,532)	(3,576)	(12,748)
4,207	1,526	(3,224)	6,729
-	-	(1,860)	(1,860)
14	(35)	7	(22)
4,221	1,491	(5,077)	4,847
4,890	812	972	8,877
529	1,453	(15)	6,790
141	612	221	1,338
40	(129)	12	167
(97)	(115)	(98)	(361)
504	(46)	(315)	397
11	51	(52)	-
6,018	2,638	725	17,208
(3,190)	(1,584)	(2,994)	(12,140)
2,828	1,054	(2,269)	5,068
-	-	(1,326)	(1,326)
1	(11)	9	(27)
2,829	1,043	(3,586)	3,715

2.2 MAM

	HALF YEAR TO			FULL YEAR TO		
	Mar 26 \$Am	Sep 25 \$Am	Movement %	Mar 26 \$Am	Mar 25 \$Am	Movement %
Net interest and trading expense	(96)	(193)	(50)	(289)	(514)	(44)
Fee and commission income						
Base fees	1,086	1,465	(26)	2,551	2,925	(13)
Private Markets	704	749	(6)	1,453	1,460	(<1)
Public Investments	382	716	(47)	1,098	1,465	(25)
Performance fees	625	756	(17)	1,381	837	65
Other fee and commission income	194	194	-	388	450	(14)
Total fee and commission income	1,905	2,415	(21)	4,320	4,212	3
Net investment income	485	7	*	492	399	23
Share of net profits from associates and joint ventures	139	44	216	183	245	(25)
Other operating income and charges						
Net credit and other impairment (charges)/reversals	(29)	3	*	(26)	(6)	*
Other (charges)/income	(98)	71	*	(27)	261	*
Total other operating income and charges	(127)	74	*	(53)	255	*
Internal management revenue/(charge)	39	40	(3)	79	(7)	*
Net operating income	2,345	2,387	(2)	4,732	4,590	3
Operating expenses						
Employment expenses	(317)	(401)	(21)	(718)	(821)	(13)
Brokerage, commission and fee expenses	(146)	(222)	(34)	(368)	(422)	(13)
Other operating expenses	(462)	(574)	(20)	(1,036)	(1,272)	(19)
Total operating expenses	(925)	(1,197)	(23)	(2,122)	(2,515)	(16)
Non-controlling interests¹	7	(15)	*	(8)	(26)	(69)
Net profit contribution	1,427	1,175	21	2,602	2,049	27
Non-GAAP metrics						
Assets under management (\$Ab)	722.1	959.1	(25)	722.1	941.0	(23)
Equity under management (\$Ab)	218.0	224.6	(3)	218.0	221.1	(1)
Headcount	1,735	2,279	(24)	1,735	2,210	(21)

Net profit contribution of \$A2,602 million for the year ended 31 March 2026 increased 27% from \$A2,049 million in the prior year due to:

- increased performance fees from Private Markets-managed funds, managed accounts and co-investors
- increased net investment income primarily driven by the gain on sale of the divested business in the second half, net of associated transaction and separation costs, partially offset by the gain on sale of Macquarie Rotorcraft in the prior year.

Partially offset by:

- lower base fees and other fee and commission income, partially offset by lower total operating expenses following the sale of the divested business in the second half.

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/(loss) contribution represents the net profit/(loss) attributable to ordinary equity holders.

Net interest and trading expense

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

Net interest and trading expense of \$A289 million for the year ended 31 March 2026 decreased 44% from \$A514 million in the prior year, primarily driven by higher interest income, the majority of which relates to interest generated on financial investments held against MAM's reinsurance and related obligations in InEvo Re and favourable foreign exchange movements on investments and receivables.

Lower funding costs following the sale of the divested business in the second half and Macquarie Rotorcraft in the prior year, were partially offset by increased funding costs primarily due to investments in Macquarie-managed funds and seed investments.

Base fees

Base fee income of \$A2,551 million for the year ended 31 March 2026 decreased 13% from \$A2,925 million in the prior year.

Base fees in Private Markets decreased primarily driven by asset realisations and the impact of the spin-off of the majority of the Core/Core Plus real estate business in the prior year, partially offset by fundraising and investments made by funds and mandates.

Base fees in Public Investments decreased primarily driven by the impact of the sale of the divested business in the second half, partially offset by positive net flows and market movements.

Performance fees

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

Performance fees of \$A1,381 million for the year ended 31 March 2026 increased 65% from \$A837 million in the prior year.

The year ended 31 March 2026 included performance fees from a range of funds, managed accounts and co-investors, including MIP IV and Aligned Data Centers co-investors, MAIF2, MKOF5 co-investors and funds managed on behalf of wealth investors.

The prior year included performance fees from a range of funds, managed accounts and co-investors, including MAIF2, MEIF4 and MIP III.

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, primarily earned by the divested business, are offset by associated expenses that, for accounting purposes, are recognised in Operating expenses.

Other fee and commission income of \$A388 million for the year ended 31 March 2026 decreased 14% from \$A450 million in the prior year, primarily due to the sale of the divested business in the second half.

Net investment income

Net investment income of \$A492 million for the year ended 31 March 2026 increased 23% from \$A399 million in the prior year, primarily driven by the gain on sale of the divested business in the second half, net of associated transaction and separation costs, partially offset by the gain on sale of Macquarie Rotorcraft in the prior year.

Share of net profits from associates and joint ventures

Share of net profits from associates and joint ventures of \$A183 million for the year ended 31 March 2026 decreased 25% from \$A245 million in the prior year, primarily driven by lower net profits from the sale of underlying assets, partially offset by gains on asset revaluations within equity accounted investments and funds.

Other (charges)/income

Other charges of \$A27 million for the year ended 31 March 2026 compared to other income of \$A261 million in the prior year, primarily driven by the non-recurrence of operating lease income following the sale of Macquarie Rotorcraft and the remeasurement of MAM's reinsurance and related obligations in InEvo Re.

Operating expenses

Total operating expenses of \$A2,122 million for the year ended 31 March 2026 decreased 16% from \$A2,515 million in the prior year, primarily driven by the sale of the divested business in the second half.

2.2 MAM: Assets Under Management

	AS AT		MOVEMENT		
	Mar 26 \$Ab	Sep 25 \$Ab	Mar 25 \$Ab	Sep 25 %	Mar 25 %
AUM by type					
Private Markets ¹					
Infrastructure Equity	346.8	348.6	324.6	(1)	7
Infrastructure Debt	33.3	34.2	33.7	(3)	(1)
Real Estate ²	26.0	24.1	20.9	8	24
Agriculture	5.4	5.0	4.9	8	10
Transport Finance	4.6	4.7	4.9	(2)	(6)
Total Private Markets	416.1	416.6	389.0	(<1)	7
Public Investments					
Fixed Income	195.8	293.2	305.5	(33)	(36)
Equities	102.1	223.7	219.8	(54)	(54)
Alternatives and Multi-asset	8.1	25.6	26.7	(68)	(70)
Total Public Investments	306.0	542.5	552.0	(44)	(45)
Total AUM	722.1	959.1	941.0	(25)	(23)
AUM by region					
Americas	150.0	362.0	380.4	(59)	(61)
Europe, Middle East and Africa	199.7	218.3	211.9	(9)	(6)
Australia	325.9	319.2	291.9	2	12
Asia	46.5	59.6	56.8	(22)	(18)
Total AUM	722.1	959.1	941.0	(25)	(23)

Private Markets AUM of \$A416.1 billion as at 31 March 2026 increased 7% from \$A389.0 billion as at 31 March 2025, primarily driven by investments and net asset valuation changes, partially offset by unfavourable foreign exchange movements and divestments of underlying assets.

Public Investments AUM of \$A306.0 billion as at 31 March 2026 decreased 45% from \$A552.0 billion as at 31 March 2025, due to the transfer of AUM following the sale of the North American and European Public Investments business. Excluding the divested business, Public Investments AUM increased 10%³ from 31 March 2025, primarily driven by favourable net flows and market movements.

¹ Private Markets AUM excluding Real Estate is calculated as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises for the purpose of wealth creation, adjusted to exclude cross-holdings in funds and reflects Macquarie's proportional ownership interest of the fund manager. Private Markets AUM includes equity yet to deploy and equity committed to assets but not yet deployed.

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

³ The North American and European Public Investments business AUM balance was \$A274.4 billion as at 31 March 2025. Approximately \$A250 billion of AUM was transferred on completion of the sale.

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	<ul style="list-style-type: none"> Market capitalisation at the measurement date plus underwritten or committed future capital raisings for listed funds.
Unlisted equity	<ul style="list-style-type: none"> Committed capital from investors at the measurement date less called capital subsequently returned to investors for unlisted funds. Invested capital at measurement date for managed businesses.¹

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

Equity under Management by type and region

	AS AT ^{2,3}			MOVEMENT	
	Mar 26 \$Ab	Sep 25 \$Ab	Mar 25 \$Ab	Sep 25 %	Mar 25 %
EUM by type					
Listed equity	7.8	8.0	7.5	(3)	4
Unlisted equity	210.2	216.6	213.6	(3)	(2)
Total EUM	218.0	224.6	221.1	(3)	(1)
EUM by region⁴					
Australia	14.3	15.4	16.4	(7)	(13)
Europe, Middle East and Africa	120.5	124.2	121.9	(3)	(1)
Americas	50.1	50.5	50.3	(1)	(<1)
Asia	33.1	34.5	32.5	(4)	2
Total EUM	218.0	224.6	221.1	(3)	(1)

EUM of \$A218.0 billion as at 31 March 2026 decreased 1% from \$A221.1 billion as at 31 March 2025, primarily driven by unfavourable foreign exchange movements, partially offset by equity raised for unlisted funds and co-investments.

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.

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			FULL YEAR TO		
	Mar 26 \$Am	Sep 25 \$Am	Movement %	Mar 26 \$Am	Mar 25 \$Am	Movement %
Net interest and trading income	1,443	1,456	(1)	2,899	2,717	7
Fee and commission income						
Wealth management fee income	237	224	6	461	435	6
Banking and lending fee income	102	105	(3)	207	176	18
Total fee and commission income	339	329	3	668	611	9
Other operating income and charges						
Net credit and other impairment charges	(12)	(24)	(50)	(36)	(45)	(20)
Investment and other income/(charges)	5	(4)	*	1	(43)	*
Total other operating income and charges	(7)	(28)	(75)	(35)	(88)	(60)
Internal management revenue/(charge)	-	1	(100)	1	(3)	*
Net operating income	1,775	1,758	1	3,533	3,237	9
Operating expenses						
Employment expenses	(232)	(234)	(1)	(466)	(472)	(1)
Brokerage, commission and fee expenses	(95)	(92)	3	(187)	(176)	6
Technology expenses ¹	(375)	(387)	(3)	(762)	(722)	6
Other operating expenses	(256)	(252)	2	(508)	(487)	4
Total operating expenses	(958)	(965)	(1)	(1,923)	(1,857)	4
Net profit contribution	817	793	3	1,610	1,380	17
Non-GAAP metrics						
Funds on platform (\$Ab)	155.9	166.7	(6)	155.9	154.0	1
Loan portfolio (\$Ab) ²	199.9	178.4	12	199.9	161.4	24
BFS deposits (\$Ab) ³	215.3	192.5	12	215.3	172.4	25
Headcount ⁴	4,252	4,132	3	4,252	4,122	3
Headcount (excluding Technology)	2,806	2,649	6	2,806	2,713	3

Net profit contribution of \$A1,610 million for the year ended 31 March 2026 increased 17% from \$A1,380 million in the prior year due to:

- higher net interest income primarily driven by growth in the average loan and deposit portfolios, partially offset by lower margins reflecting changes in portfolio mix and lending and deposit competition
- higher fee and commission income driven by growth in average funds on platform, the loan portfolio and BFS deposits.

Partially offset by:

- higher operating expenses reflecting increased technology expenses to support business growth and scalable operations.

¹ Technology expenses includes employment costs (FY2026: \$A276 million and FY2025: \$A252 million), other staff related costs, infrastructure and support and licences.

² The loan portfolio comprises home loans (excluding offset accounts), loans to businesses, credit cards and car loans.

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

Net interest and trading income of \$A2,899 million for the year ended 31 March 2026 increased 7% from \$A2,717 million in the prior year, primarily due to 19% growth in the average loan portfolio¹ and 24% growth in the average deposit portfolio¹. This was partially offset by lower margins reflecting changes in portfolio mix, and lending and deposit competition.

Wealth management fee income

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

Wealth management fee income of \$A461 million for the year ended 31 March 2026 increased 6% from \$A435 million in the prior year, due to higher administration and advice fees driven by higher average funds on platform.

Banking and lending fee income

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

Banking and lending fee income of \$A207 million for the year ended 31 March 2026 increased 18% from \$A176 million in the prior year, due to growth in the loan portfolio and BFS deposits.

Net credit and other impairment charges

Net credit and other impairment charges of \$A36 million for the year ended 31 March 2026 decreased 20% from \$A45 million in the prior year, largely driven by changes in portfolio mix and the partial sale of the car loans portfolio, partially offset by uncertainty in the macroeconomic outlook and volume growth.

Investment and other income/ (charges)

Investment and other income of \$A1 million for the year ended 31 March 2026 compared to investment and other charges of \$A43 million in the prior year, mainly driven by the revaluation of an equity investment in the prior year.

Operating expenses

Total operating expenses of \$A1,923 million for the year ended 31 March 2026 increased 4% from \$A1,857 million in the prior year.

Employment expenses of \$A466 million for the year ended 31 March 2026 were broadly in line with the prior year, with the impact of lower average headcount, driven by digitalisation and operational improvements, largely offset by wage inflation.

Brokerage, commission and fee expenses of \$A187 million for the year ended 31 March 2026 were broadly in line with the prior year.

Technology expenses of \$A762 million for the year ended 31 March 2026 increased 6% from \$A722 million in the prior year, mainly to support business growth and scalable operations.

Other operating expenses of \$A508 million for the year ended 31 March 2026 were broadly in line with the prior year.

¹ Calculations based on average volumes net of offset accounts.

2.4 CGM

	HALF YEAR TO			FULL YEAR TO		
	Mar 26 \$Am	Sep 25 \$Am	Movement %	Mar 26 \$Am	Mar 25 \$Am	Movement %
Net interest and trading income						
Commodities						
Risk management	1,359	923	47	2,282	1,964	16
Lending and financing	296	160	85	456	366	25
Inventory management and trading	602	297	103	899	690	30
Total commodities	2,257	1,380	64	3,637	3,020	20
Foreign exchange, interest rates and credit	774	658	18	1,432	1,340	7
Equities	259	229	13	488	448	9
Asset Finance	59	54	9	113	82	38
Net interest and trading income	3,349	2,321	44	5,670	4,890	16
Fee and commission income						
Brokerage and other trading-related fees	204	177	15	381	307	24
Other fee and commission income	137	141	(3)	278	222	25
Total fee and commission income	341	318	7	659	529	25
Net investment income	1,189	40	*	1,229	141	*
Share of net profits from associates and joint ventures	38	22	73	60	40	50
Other operating income and charges						
Net credit and other impairment charges	(274)	(68)	*	(342)	(97)	253
Net operating lease income	312	216	44	528	418	26
Other (charges)/income	(21)	32	*	11	86	(87)
Total other operating income and charges	17	180	(91)	197	407	(52)
Internal management (charge)/revenue	(15)	2	*	(13)	11	*
Net operating income	4,919	2,883	71	7,802	6,018	30
Operating expenses						
Employment expenses	(484)	(438)	11	(922)	(804)	15
Brokerage, commission and fee expenses	(279)	(248)	13	(527)	(481)	10
Other operating expenses	(1,061)	(1,085)	(2)	(2,146)	(1,905)	13
Total operating expenses	(1,824)	(1,771)	3	(3,595)	(3,190)	13
Non-controlling interests¹	13	1	*	14	1	*
Net profit contribution	3,108	1,113	179	4,221	2,829	49
Non-GAAP metrics						
Headcount ²	2,727	2,791	(2)	2,727	2,738	(<1)

Net profit contribution of \$A4,221 million for the year ended 31 March 2026 increased 49% from \$A2,829 million in the prior year due to:

- increased net investment income primarily due to the gain on sale from the divestment of the OnStream meters platform and other Asset Finance investment activity in the technology and energy sectors
- increased risk management income primarily driven by increased client hedging activity across Global Gas and Power businesses and Global Oil
- increased inventory management and trading income driven by supply and demand imbalances in North American Gas and Power and oil trading, partially offset by timing of income recognition on gas storage and transport contracts.

Partially offset by:

- higher operating expenses reflecting increased investment in the CGM platform, including adjacent business opportunities, significant transaction-related costs and higher brokerage expenses
- higher credit and other impairment charges driven by portfolio growth, uncertainty in the macroeconomic environment and specific impairments for a small number of counterparties.

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/(loss) contribution represents the net profit/(loss) attributable to ordinary equity holders.

² Prior comparatives have been restated for the transfer of CLM Operations employees from Corporate to CGM.

Net interest and trading income

Net interest and trading income of \$A5,670 million for the year ended 31 March 2026 increased 16% from \$A4,890 million in the prior year.

Commodities net interest and trading income

(i) Risk management

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

Risk management income of \$A2,282 million for the year ended 31 March 2026 increased 16% from \$A1,964 million in the prior year, primarily driven by increased client hedging activity across Global Gas and Power businesses and Global Oil.

(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 \$A456 million for the year ended 31 March 2026 increased 25% from \$A366 million in the prior year, driven by increased client activity across the energy and resources sectors.

(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 \$A899 million for the year ended 31 March 2026 increased 30% from \$A690 million in the prior year, driven by supply and demand imbalances in North American Gas and Power and oil trading, partially offset by timing of income recognition on gas storage and transport 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 \$A1,432 million for the year ended 31 March 2026 increased 7% from \$A1,340 million in the prior year, due to increased contributions from financing origination and continued strong client hedging activity in structured foreign exchange 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 \$A488 million for the year ended 31 March 2026 increased 9% from \$A448 million in the prior year, primarily driven by increased client activity.

2.4 CGM

Continued

Fee and commission income

Fee and commission income of \$A659 million for the year ended 31 March 2026 increased 25% from \$A529 million in the prior year, driven by higher structuring fees in commodities products and increased client activity in Futures.

Net investment income

Net investment income of \$A1,229 million for the year ended 31 March 2026 was substantially up from \$A141 million in the prior year, primarily due to the gain on sale from the divestment of the OnStream meters platform and other Asset Finance investment activity in technology and energy sectors.

Net credit and other impairment charges

Net credit and other impairment charges of \$A342 million for the year ended 31 March 2026 were substantially up from \$A97 million in the prior year, driven by portfolio growth, uncertainty in the macroeconomic environment and specific impairments for a small number of counterparties.

Net operating lease income

Net operating lease income of \$A528 million for the year ended 31 March 2026 increased 26% from \$A418 million in the prior year, primarily driven by an increased contribution from the meters sector.

Other (charges)/income

Other income of \$A11 million for the year ended 31 March 2026 decreased 87% from \$A86 million in the prior year, primarily driven by the write-down of operating lease assets.

Operating expenses

Total operating expenses of \$A3,595 million for the year ended 31 March 2026 increased 13% from \$A3,190 million in the prior year.

Employment expenses of \$A922 million for the year ended 31 March 2026 increased 15% from \$A804 million in the prior year, driven by one-off staff related costs and wage inflation.

Brokerage, commission and fee expenses of \$A527 million for the year ended 31 March 2026 increased 10% from \$A481 million in the prior year, due to increased hedging and trading-related expenses across equities, foreign exchange, interest rates and credit.

Other operating expenses of \$A2,146 million for the year ended 31 March 2026 increased 13% from \$A1,905 million in the prior year, mainly reflecting increased investment in the CGM platform, including adjacent business opportunities and significant transaction-related costs.

2.5 Macquarie Capital

	HALF YEAR TO			FULL YEAR TO		
	Mar 26	Sep 25	Movement	Mar 26	Mar 25	Movement
	\$Am	\$Am	%	\$Am	\$Am	%
Net interest and trading income	426	497	(14)	923	812	14
Fee and commission income	752	850	(12)	1,602	1,453	10
Net investment income	792	292	171	1,084	612	77
Share of net losses from associates and joint ventures	(102)	(116)	(12)	(218)	(129)	69
Other operating income and charges						
Net credit and other impairment charges	(296)	(13)	*	(309)	(115)	169
Other charges	(16)	(11)	45	(27)	(46)	(41)
Total other operating income and charges	(312)	(24)	*	(336)	(161)	109
Internal management revenue/(charge)	6	(3)	*	3	51	(94)
Net operating income	1,562	1,496	4	3,058	2,638	16
Operating expenses						
Employment expenses	(272)	(293)	(7)	(565)	(618)	(9)
Brokerage, commission and fee expenses	(75)	(65)	15	(140)	(124)	13
Other operating expenses	(411)	(416)	(1)	(827)	(842)	(2)
Total operating expenses	(758)	(774)	(2)	(1,532)	(1,584)	(3)
Non-controlling interests¹	(24)	(11)	118	(35)	(11)	218
Net profit contribution	780	711	10	1,491	1,043	43
Non-GAAP metrics						
Headcount ²	1,515	1,491	2	1,515	1,551	(2)

Net profit contribution of \$A1,491 million for the year ended 31 March 2026 increased 43% from \$A1,043 million in the prior year due to:

- higher net investment income primarily due to gains on the equity investment portfolio driven by exits in the infrastructure and technology sectors
- higher net interest income primarily from the private credit portfolio, which benefitted from \$A2.5 billion³ of growth in average drawn loan assets
- higher fee and commission income driven mainly by higher mergers and acquisitions fee income, particularly in the Americas and ANZ, and higher brokerage fee income due to increased market activity, particularly in Asia.

Partially offset by:

- higher impairment charges driven by a small number of underperforming assets
- higher share of net losses from associates and joint ventures which reflected 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/(loss) contribution represents the net profit/(loss) attributable to ordinary equity holders.

² Prior comparatives have been restated for the transfer of CLM Operations employees from Corporate to Macquarie Capital.

³ Average volume calculation is based on balances converted at spot foreign exchange rates as at 31 March 2026.

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 \$A923 million for the year ended 31 March 2026 increased 14% from \$A812 million in the prior year, primarily due to higher net interest income from the private credit portfolio, benefitting from \$A2.5 billion¹ of growth in average drawn loan assets.

Fee and commission income

Fee and commission income of \$A1,602 million for the year ended 31 March 2026 increased 10% from \$A1,453 million in the prior year.

Mergers and acquisitions fee income increased 15% on the prior year, particularly in the Americas and ANZ, which benefitted from several significant transactions. Capital markets fee income decreased following the exit of the debt capital markets business in the Americas.

Brokerage income increased 15% on the prior year due to increased market activity, particularly in Asia.

Net investment income

Net investment income of \$A1,084 million for the year ended 31 March 2026 increased 77% from \$A612 million in the prior year, primarily due to gains on the equity investment portfolio driven by exits in the infrastructure and technology sectors, particularly in the second half.

Share of net losses from associates and joint ventures

Share of net losses from associates and joint ventures of \$A218 million for the year ended 31 March 2026 increased 69% from \$A129 million in the prior year, primarily driven by changes in the composition and performance of the investment portfolio.

Net credit and other impairment charges

Net credit and other impairment charges of \$A309 million for the year ended 31 March 2026 were substantially up from \$A115 million in the prior year, which reflected higher impairment charges driven by a small number of underperforming assets.

Operating expenses

Total operating expenses of \$A1,532 million for the year ended 31 March 2026 decreased 3% from \$A1,584 million in the prior year, primarily driven by lower employment expenses following the exit of the debt capital markets business in the Americas.

¹ Average volume calculation is based on balances converted at spot foreign exchange rates as at 31 March 2026.

2.6 Corporate

	HALF YEAR TO			FULL YEAR TO		
	Mar 26	Sep 25	Movement	Mar 26	Mar 25	Movement
	\$Am	\$Am	%	\$Am	\$Am	%
Net interest and trading income	526	430	22	956	972	(2)
Fee and commission expense	(22)	(11)	100	(33)	(15)	120
Net investment (losses)/income	(30)	-	*	(30)	221	*
Share of net profits from associates and joint ventures	26	-	*	26	12	117
Other operating income and charges						
Net credit and other impairment (charges)/reversals	(68)	73	*	5	(98)	*
Other charges	(217)	(285)	(24)	(502)	(315)	59
Total other operating income and charges	(285)	(212)	34	(497)	(413)	20
Internal management charge	(30)	(40)	(25)	(70)	(52)	35
Net operating income and charges	185	167	11	352	725	(51)
Operating expenses						
Employment expenses	(2,822)	(2,448)	15	(5,270)	(4,692)	12
Other operating expense recoveries	778	916	(15)	1,694	1,698	(<1)
Total operating expenses	(2,044)	(1,532)	33	(3,576)	(2,994)	19
Income tax expense	(1,089)	(771)	41	(1,860)	(1,326)	40
Non-controlling interests ¹	8	(1)	*	7	9	(22)
Net loss contribution	(2,940)	(2,137)	38	(5,077)	(3,586)	42
Non-GAAP metrics						
Headcount ²	8,895	9,128	(3)	8,895	9,114	(2)

Net loss contribution of \$A5,077 million for the year ended 31 March 2026 increased 42% from \$A3,586 million in the prior year due to:

- higher employment expenses driven by higher performance-related profit share
- higher income tax expense driven by the performance of the group, as well as the geographical composition and nature of earnings
- lower net investment income primarily driven by the non-recurrence of asset realisations in Green Investments
- higher other charges driven by impairments of Green Investments and the non-recurrence of a gain on the sale of centrally held assets, partially offset by lower net expenditure on Green Investment platforms.

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/(loss) contribution represents the net profit/(loss) attributable to ordinary equity holders.

² Prior comparatives have been restated for the transfer of CLM Operations employees from Corporate to CGM and Macquarie Capital.

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 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 \$A956 million for the year ended 31 March 2026 was broadly in line with the prior year.

Net investment (losses)/income

Net investment losses of \$A30 million for the year ended 31 March 2026 compared to net investment income of \$A221 million in the prior year, primarily driven by the non-recurrence of asset realisations in Green Investments.

Net credit and other impairment (charges)/reversals

Net credit and other impairment reversals of \$A5 million for the year ended 31 March 2026 compared to net credit and other impairment charges of \$A98 million in the prior year, primarily driven by a legacy goodwill impairment in the prior year.

Other charges

Other charges of \$A502 million for the year ended 31 March 2026 increased 59% from \$A315 million in the prior year, driven by higher impairments of Green Investments and the non-recurrence of a gain on the sale of centrally held assets, partially offset by lower net expenditure on Green Investment platforms.

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 \$A5,270 million for the year ended 31 March 2026 increased 12% from \$A4,692 million in the prior year, primarily 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 \$A1,694 million for the year ended 31 March 2026 were broadly in line with the prior year.

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

2.7 International Income

International income¹ by region

	HALF YEAR TO			FULL YEAR TO		
	Mar 26 \$Am	Sep 25 \$Am	Movement %	Mar 26 \$Am	Mar 25 \$Am	Movement %
Americas	3,268	2,667	23	5,935	5,114	16
Asia	907	897	1	1,804	1,683	7
Europe, Middle East and Africa	3,423	1,852	85	5,275	4,166	27
Total international income	7,598	5,416	40	13,014	10,963	19
Australia ²	2,973	3,068	(3)	6,041	5,468	10
Total income (excluding Corporate items)	10,571	8,484	25	19,055	16,431	16
Corporate items	215	207	4	422	777	(46)
Net operating income (as reported)	10,786	8,691	24	19,477	17,208	13
International income (excluding Corporate items) ratio (%)	72	64		68	67	

International income by Operating Group and region

	FULL YEAR TO MAR 26						
	Americas \$Am	Asia \$Am	Europe, Middle East and Africa \$Am	Total International \$Am	Australia ² \$Am	Total Income \$Am	Total International %
MAM	2,443	732	861	4,036	617	4,653	87
BFS	-	-	-	-	3,532	3,532	-
CGM	2,430	601	3,370	6,401	1,414	7,815	82
Macquarie Capital	1,062	471	1,044	2,577	478	3,055	84
Total	5,935	1,804	5,275	13,014	6,041	19,055	68

Total international income of \$A13,014 million for the year ended 31 March 2026 increased 19% from \$A10,963 million in the prior year. Total international income represented 68% of total income (excluding Corporate items) which increased 1% on the prior year.

Income from the Americas of \$A5,935 million for the year ended 31 March 2026 increased 16% from \$A5,114 million in the prior year. The increase was mainly driven by higher performance fees in MAM, increased client hedging activity and trading gains in North American Gas and Power markets, in CGM, as well as gains on the equity investment portfolio in Macquarie Capital. This was partially offset by the timing of income recognition on North American Gas and Power contracts, in CGM, and higher impairment charges in Macquarie Capital.

In Asia, income of \$A1,804 million for the year ended 31 March 2026 increased 7% from \$A1,683 million in the prior year. The increase was primarily driven by higher brokerage income in Macquarie Capital, higher performance fees in MAM and increased client hedging activity in oil markets, partially offset by specific impairments for a small number of counterparties in CGM.

Income from Europe, Middle East and Africa of \$A5,275 million for the year ended 31 March 2026 increased 27% from \$A4,166 million in the prior year. The increase was mainly driven by the gain on sale from the divestment of the OnStream meters platform and increased client hedging activity in gas markets, in CGM. In addition, Macquarie Capital included higher gains on the equity investments portfolio and higher net interest income on the private credit portfolio. This was partially offset by the net impact of the divestment of Macquarie Rotorcraft in the prior year, in MAM.

In Australia, income of \$A6,041 million for the year ended 31 March 2026 increased 10% from \$A5,468 million in the prior year. The increase was primarily driven by growth in the average loan and deposit portfolios in BFS, increased contributions from Financial Markets in CGM, higher mergers and acquisitions fee income in Macquarie Capital and higher performance fees in MAM.

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

² Includes New Zealand.

2.8 Headcount

	AS AT			MOVEMENT	
	Mar 26	Sep 25	Mar 25	Sep 25 %	Mar 25 %
Headcount by Operating Group¹					
MAM	1,735	2,279	2,210	(24)	(21)
BFS	4,252	4,132	4,122	3	3
CGM ²	2,727	2,791	2,738	(2)	(<1)
Macquarie Capital ²	1,515	1,491	1,551	2	(2)
Total headcount – Operating Groups	10,229	10,693	10,621	(4)	(4)
Total headcount – Corporate ²	8,895	9,128	9,114	(3)	(2)
Total headcount	19,124	19,821	19,735	(4)	(3)
Headcount by region					
Australia ³	9,556	9,461	9,594	1	(<1)
International:					
Americas	2,328	3,029	2,979	(23)	(22)
Asia	4,412	4,395	4,271	<1	3
Europe, Middle East and Africa	2,828	2,936	2,891	(4)	(2)
Total headcount – International	9,568	10,360	10,141	(8)	(6)
Total headcount	19,124	19,821	19,735	(4)	(3)
International headcount ratio (%)	50	52	51		

Total headcount of 19,124 as at 31 March 2026 decreased 3% from 19,735 as at 31 March 2025, mainly driven by the sale of the divested business in MAM and 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 Prior comparatives have been restated for the transfer of CLM Operations employees from Corporate to CGM and Macquarie Capital.

³ Includes New Zealand.

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03

Funding and Liquidity

Mount Weld mine, Australia

Lynas Rare Earths is one of the world's lowest-cost and largest producers of separated rare earth oxides, with significant operations in the Asia-Pacific region. Macquarie Capital supported Lynas on its fully underwritten \$A750 million institutional placement and non-underwritten Share Purchase Plan, supporting the company's 'Towards 2030' growth strategy.

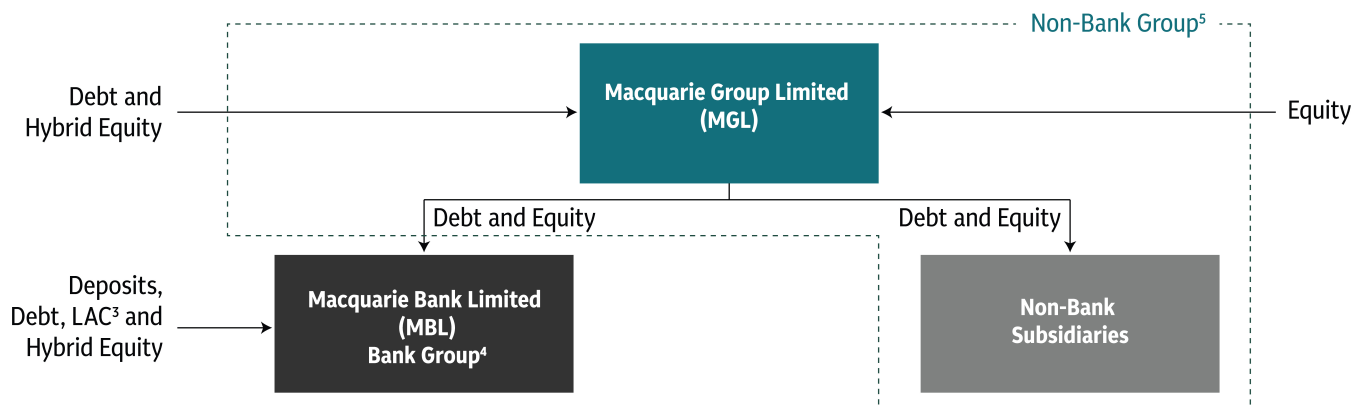


3.1 Liquidity Risk Governance and Management Framework

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 Group².

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



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

Liquidity management is performed centrally by Group Treasury, with oversight from the MGL and MBL 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 primarily funded 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 activities in the Financial Markets and Commodity Markets and Finance businesses of CGM.

² The Bank Group comprises BFS and CGM (excluding certain activities in the Financial Markets and Commodity Markets and Finance businesses, 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 \$A95.1 billion cash and liquid assets as at 31 March 2026 (31 March 2025: \$A81.1 billion), of which \$A83.9 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 31 March 2026 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 31 March 2026 was 116%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 (NCO) component of the LCR calculation, effective from 1 May 2022. APRA has partially removed the add-on to the NCO component reducing it from 25% to 15% effective from 5 February 2026.

³ APRA imposed a 1% decrease to the Available Stable Funding (ASF) component of the NSFR calculation, effective from 1 April 2021. APRA has removed the adjustment applied to the ASF component effective from 5 February 2026.

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 31 March 2026. The following pages split this between the Bank Group and the Non-Bank Group to assist in the analysis of each of the separate funding profiles of the respective entities.

	Notes	AS AT	
		Mar 26 \$Ab	Mar 25 \$Ab
Total assets per Macquarie's statement of financial position		540.1	445.2
Netted items:			
Derivative revaluation	1	(37.7)	(23.4)
Segregated funds	2	(11.3)	(10.6)
Other	3	(14.2)	(14.1)
Self-funded trading assets	4	(44.3)	(29.0)
Net funded assets		432.6	368.1

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.

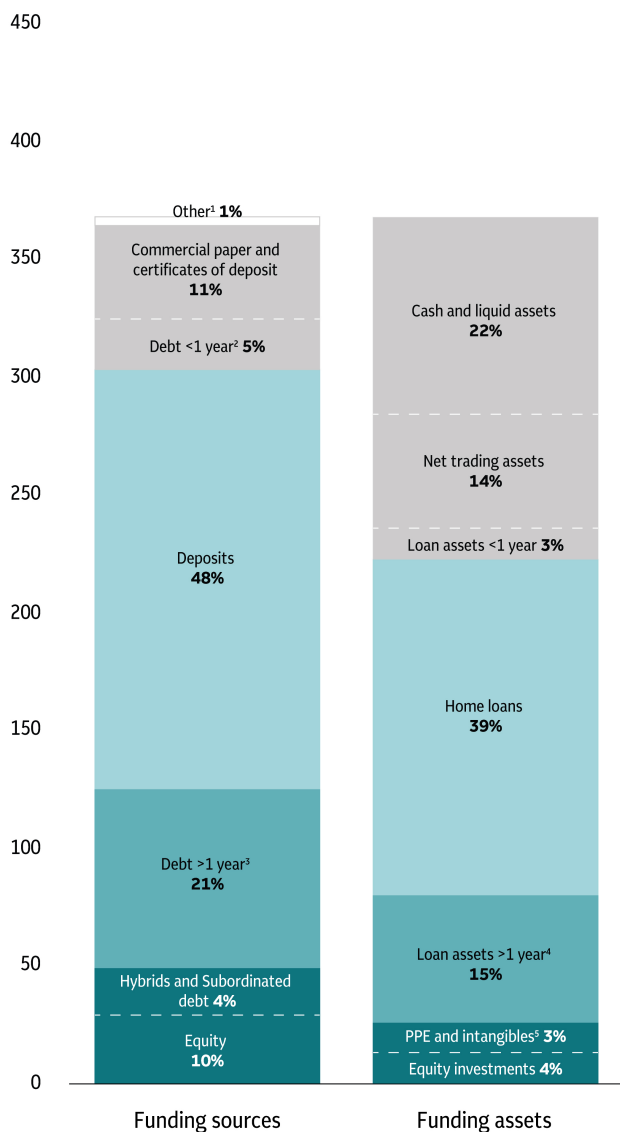
These adjustments do not indicate the existence of an enforceable netting arrangement. For further information about balances which are subject to enforceable netting arrangements, please refer to Note 35 *Offsetting financial assets and financial liabilities* in Macquarie's Annual Report for the financial year ended 31 March 2026.

3.4 Funding Profile for Macquarie

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

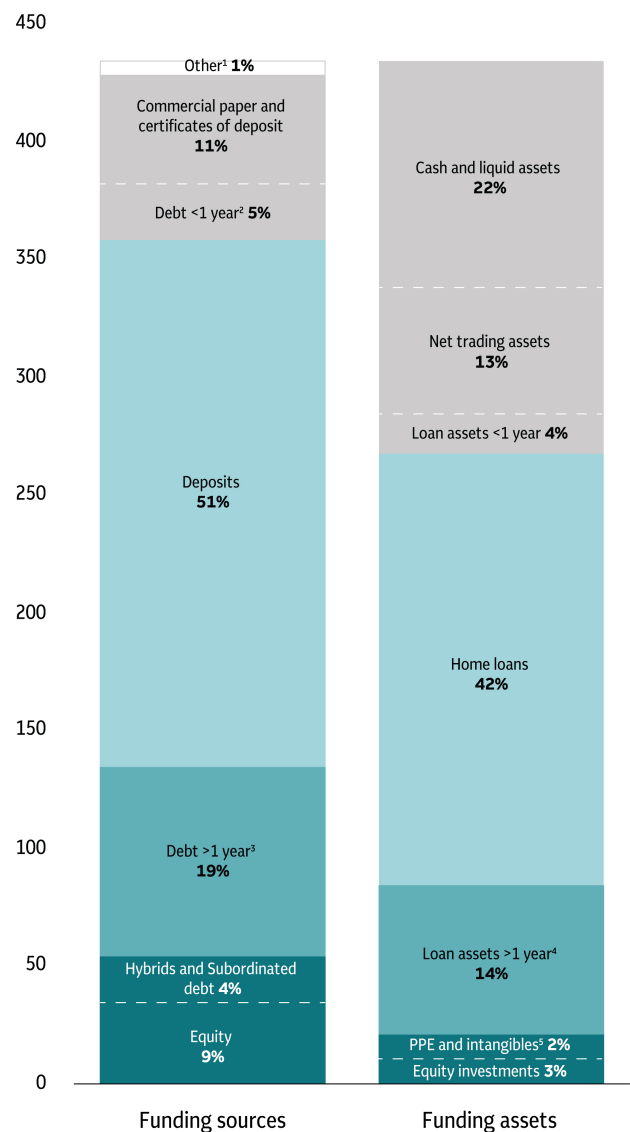
31 March 2025

\$A billion



31 March 2026

\$A billion



¹ Includes net other assets/liabilities, provisions, held for sale liabilities, current tax and deferred tax liabilities.

² Debt <1 year includes Subordinated debt (\$A0.8 billion at 31 March 2026), 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

	Notes	AS AT	
		Mar 26 \$Ab	Mar 25 \$Ab
Funding sources			
Commercial paper and certificates of deposit	1	46.1	41.2
Structured notes	2	2.1	2.6
Secured funding	3		
Securitisation		11.9	13.0
Other secured funding		8.6	5.3
Bonds	4	55.6	53.1
Unsecured loans	5	25.5	19.6
Deposits	6	221.5	177.7
Hybrids and subordinated debt	7	17.9	16.4
Equity	8	36.9	35.8
Other	9	6.5	3.4
Total		432.6	368.1
Funded assets			
Cash and liquid assets	10	95.1	81.1
Net trading assets	11	53.6	50.4
Loan assets less than one year	12	16.2	12.8
Home loans	13	183.4	143.3
Loan assets greater than one year	12	53.9	49.5
Debt investments	14	8.1	4.1
Equity investments ¹	15	13.9	16.2
Property, plant and equipment and intangibles		8.4	10.7
Total		432.6	368.1

See section 3.7 for Notes 1-15.

¹ 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 \$A29.9 billion¹ of term funding from 1 April 2025 to 31 March 2026, including:

		Bank Group	Non-Bank Group	Total
		\$Ab	\$Ab	\$Ab
Issued paper	- Senior unsecured	16.6	0.7	17.3
Loan facilities	- Unsecured loan facilities	0.9	3.5	4.4
Secured funding	- Term securitisation, covered bond and secured facilities	3.7	0.4	4.1
Loan capital	- Subordinated debt	4.1	-	4.1
Total		25.3	4.6	29.9

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

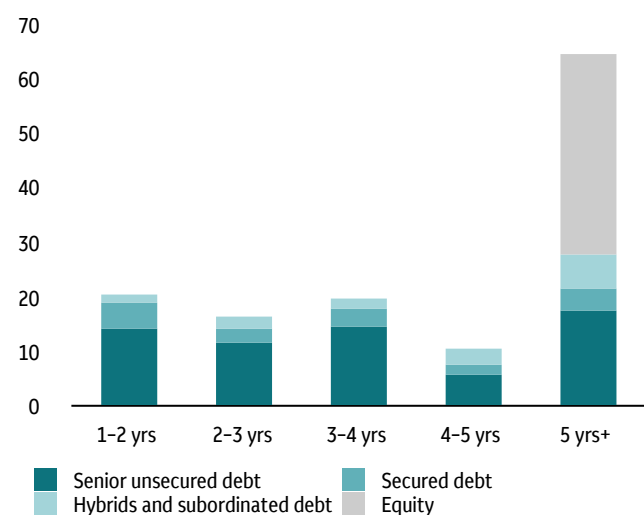
3.4 Funding Profile for Macquarie

Continued

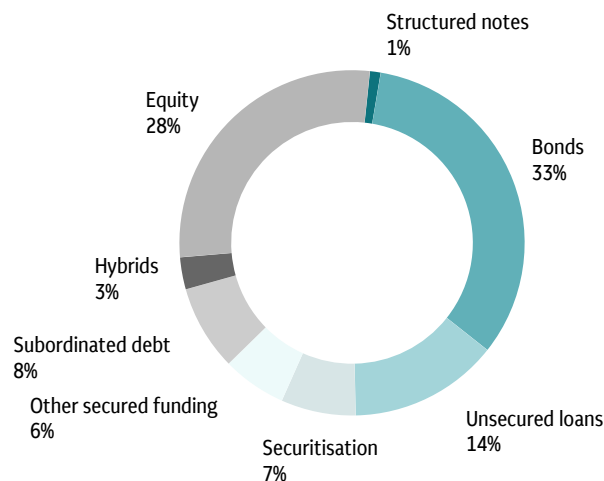
Term funding profile

Detail of drawn funding maturing beyond one year

\$A billion



Diversity of funding sources



AS AT Mar 26

	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	0.4	0.4	0.6	2.0
Bonds	13.0	10.7	6.3	3.0	11.1	44.1
Unsecured loans	1.0	0.8	8.0	2.5	6.1	18.4
Senior unsecured debt	14.3	11.8	14.7	5.9	17.8	64.5
Securitisation ¹	3.3	2.2	1.7	0.9	1.3	9.4
Other secured funding	1.5	0.4	1.6	1.1	2.8	7.4
Secured debt	4.8	2.6	3.3	2.0	4.1	16.8
Hybrids ²	0.7	0.7	0.7	-	1.5	3.6
Subordinated debt ²	0.9	1.3	1.2	2.9	4.6	10.9
Hybrids and subordinated debt	1.6	2.0	1.9	2.9	6.1	14.5
Equity	-	-	-	-	36.9	36.9
Total term funding sources drawn	20.7	16.4	19.9	10.8	64.9	132.7
Undrawn ³	0.5	0.5	0.3	0.1	0.2	1.6
Total term funding sources drawn and undrawn	21.2	16.9	20.2	10.9	65.1	134.3

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

As at 31 March 2026, 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 4.1 years as at 31 March 2026.

As at 31 March 2026, in addition to drawn term funding in the table above, deposits represented \$A221.5 billion (51% of Macquarie's total funding), commercial paper and certificates of deposit represented \$A46.1 billion (11% of total funding), debt <1 year represented \$A23.2 billion (5% of total funding), hybrids with first call date <1 year represented \$A2.6 billion and other represented \$A6.5 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

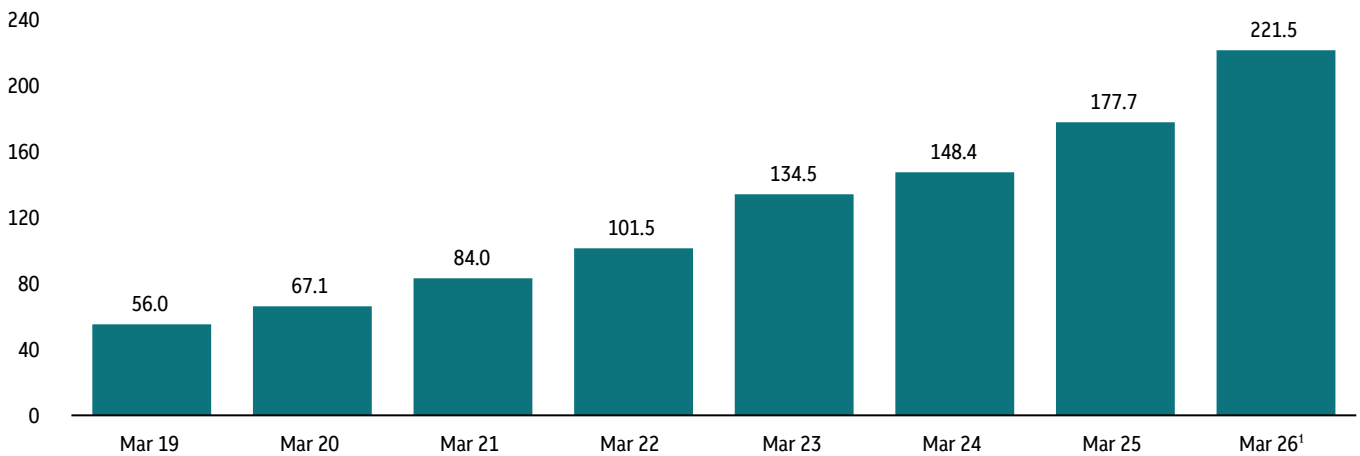
MBL continues to pursue a deposit strategy that is consistent with the core liquidity management strategy of achieving diversity and stability of funding sources. The strategy is focused on growing the BFS deposit base, which represents a stable and reliable source of funding and reduces Macquarie’s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

In particular, MBL is focused on the quality and diversification of the deposit base, targeting transactional, savings 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.

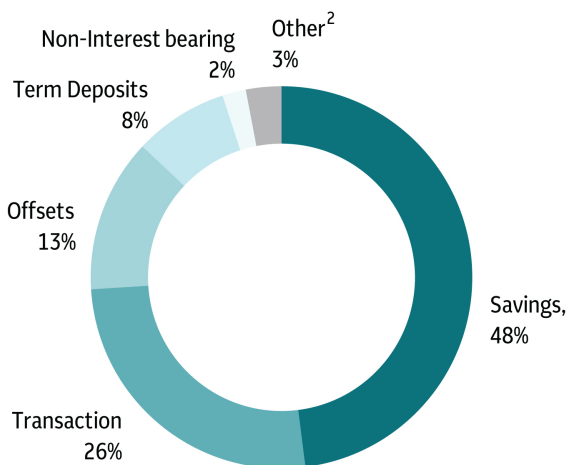
Deposits

\$A billion

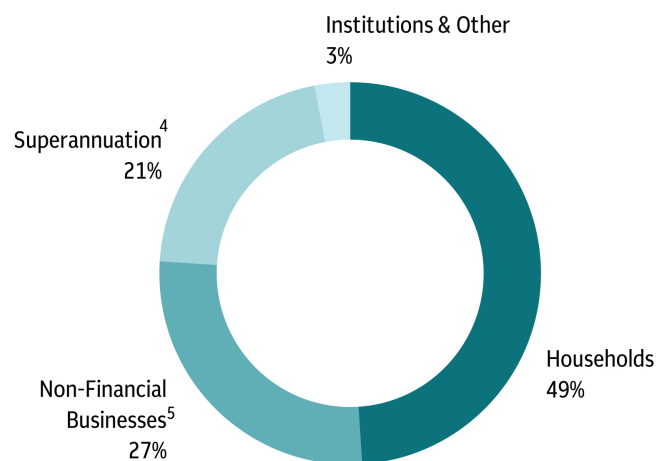


Composition of deposits

By Type¹



By Counterparty³



¹ Total deposits include BFS deposits of \$A215.3 billion and \$A6.2 billion of corporate/wholesale deposits, including those taken by MBE as at 31 March 2026.

² Includes corporate/wholesale deposits.

³ As at 31 March 2026 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

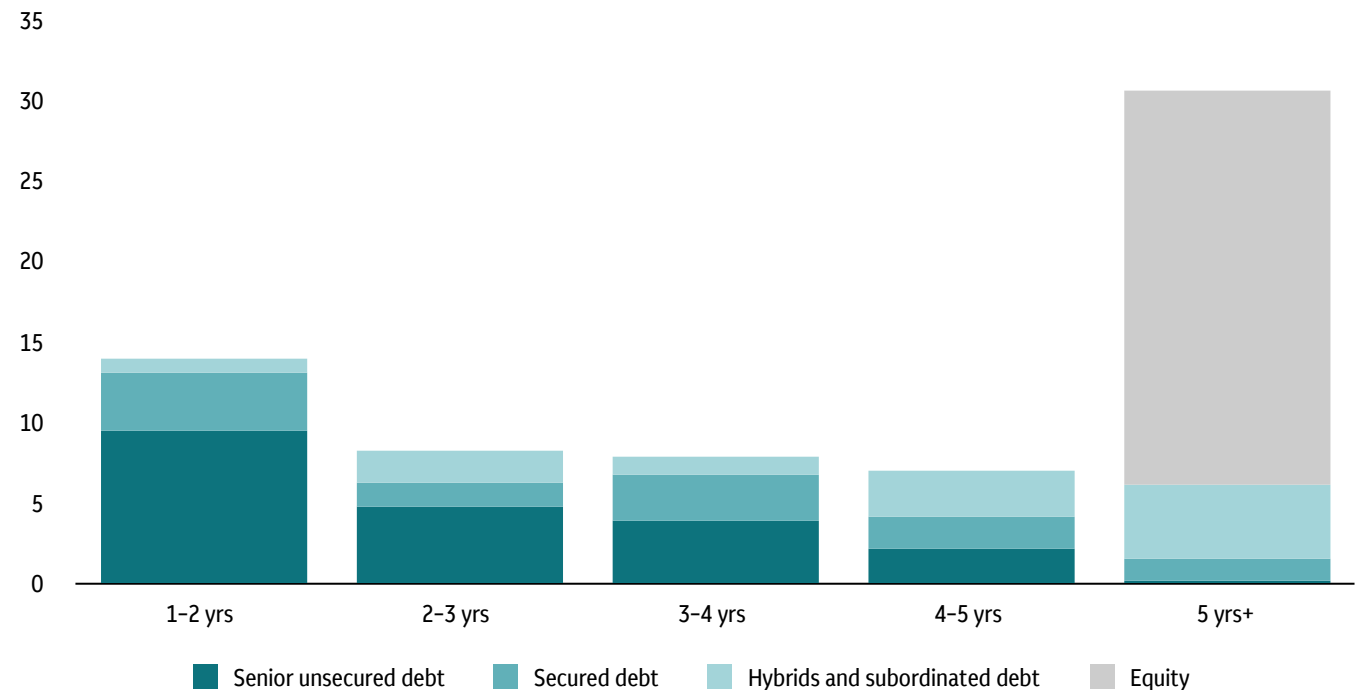
	Notes	AS AT	
		Mar 26 \$Ab	Mar 25 \$Ab
Funding sources			
Commercial paper and certificates of deposit	1	41.8	41.1
Structured notes	2	0.7	0.7
Secured funding	3		
Securitisation		9.9	10.8
Other secured funding		4.3	3.0
Bonds	4	27.4	18.8
Unsecured loans	5	10.3	11.1
Deposits	6	221.5	177.7
Hybrids and subordinated debt	7	14.1	12.6
Equity	8	24.6	23.0
Other	9	3.2	3.7
Total		357.8	302.5
Funded assets			
Cash and liquid assets	10	83.9	69.2
Net trading assets	11	48.4	44.0
Loan assets less than one year	12	12.9	11.4
Home loans	13	183.0	143.0
Loan assets greater than one year	12	30.3	27.0
Debt investments	14	4.3	2.7
Non-Bank Group balances with the Bank Group		(10.2)	(2.8)
Equity investments	15	0.4	0.8
Property, plant and equipment and intangibles		4.8	7.2
Total		357.8	302.5

See section 3.7 for Notes 1-15.

Term funding profile

Detail of drawn funding maturing beyond one year

\$A billion



AS AT Mar 26

	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	0.2	0.6
Bonds	9.0	4.5	1.5	2.1	0.1	17.2
Unsecured loans	0.5	0.3	2.4	-	-	3.2
Senior unsecured debt	9.6	4.9	4.0	2.2	0.3	21.0
Securitisation ¹	2.6	1.5	1.2	0.9	1.3	7.5
Other secured funding	1.0	-	1.6	1.1	-	3.7
Secured debt	3.6	1.5	2.8	2.0	1.3	11.2
Hybrids ²	-	0.7	-	-	-	0.7
Subordinated debt ²	0.9	1.3	1.2	2.9	4.6	10.9
Hybrids and subordinated debt	0.9	2.0	1.2	2.9	4.6	11.6
Equity	-	-	-	-	24.6	24.6
Total term funding sources drawn	14.1	8.4	8.0	7.1	30.8	68.4
Undrawn ³	0.2	0.2	0.1	0.1	0.2	0.8
Total term funding sources drawn and undrawn	14.3	8.6	8.1	7.2	31.0	69.2

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 3.4 years as at 31 March 2026.

As at 31 March 2026, in addition to drawn term funding in the table above, deposits represented \$A221.5 billion (62% of the Bank Group's total funding), commercial paper and certificates of deposit represented \$A41.8 billion (12% of total funding), debt <1 year represented \$A21.2 billion (6% of total funding), hybrids with first call date <1 year represented \$A1.7 billion and other represented \$A3.2 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 follows¹:

- \$US25.0 billion Regulation S Debt Instrument Programme under which \$US10.3 billion of debt securities were outstanding as at 31 March 2026
- \$US25.0 billion MBL Commercial Paper Program under which \$US21.0 billion of debt securities were outstanding as at 31 March 2026
- \$US25.0 billion US Rule 144A/Regulation S Medium-Term Note Program, including senior and subordinated notes, under which \$US12.4 billion of debt securities were outstanding as at 31 March 2026
- \$US10.0 billion European Commercial Paper Programme, including Euro Commercial Paper and Euro Certificates of Deposit, under which \$US7.1 billion of debt securities were outstanding as at 31 March 2026
- \$A10.0 billion Covered Bond Programme under which \$A3.0 billion of debt securities were outstanding as at 31 March 2026
- \$A10.0 billion Regulation S Subordinated Notes Debt Programme under which \$A5.0 billion of debt securities were outstanding as at 31 March 2026
- \$A9.9 billion of external securitisation of which \$A9.9 billion PUMA was drawn as at 31 March 2026
- \$US5.0 billion Structured Note Programme under which \$US0.5 billion of structured notes were outstanding as at 31 March 2026
- \$A3.7 billion² of Unsecured Loan Facilities of which \$A3.6 billion was drawn as at 31 March 2026
- \$A1.6 billion of other subordinated unsecured debt outstanding as at 31 March 2026; and
- \$US0.6 billion³ Secured Trade Finance Facility of which \$US0.5 billion was drawn as at 31 March 2026.

Macquarie Bank accesses the Australian capital markets through the issuance of Negotiable Certificates of Deposit. As at 31 March 2026, Macquarie Bank had \$A1.0 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 31 March 2026.

³ Values are US dollar equivalents as at 31 March 2026.

3.6 Funding Profile for the Non-Bank Group

Funded balance sheet

	Notes	AS AT	
		Mar 26 \$Ab	Mar 25 \$Ab
Funding sources			
Commercial paper and certificates of deposit	1	4.3	0.1
Structured notes	2	1.4	1.9
Secured funding	3		
Securitisation		2.0	2.2
Other secured funding		4.3	2.3
Bonds	4	28.2	34.3
Unsecured loans	5	15.2	8.5
Hybrids	7	3.8	3.8
Equity	8	12.3	12.8
Other	9	3.3	(0.3)
Total		74.8	65.6
Funded assets			
Cash and liquid assets	10	11.2	11.9
Non-Bank Group balances with the Bank Group		10.2	2.8
Net trading assets	11	5.2	6.4
Loan assets less than one year	12	3.3	1.4
Home loans	13	0.4	0.3
Loan assets greater than one year	12	23.6	22.5
Debt investments	14	3.8	1.4
Equity investments ¹	15	13.5	15.4
Property, plant and equipment and intangibles		3.6	3.5
Total		74.8	65.6

See Section 3.7 for Notes 1-15.

¹ Includes held for sale assets.

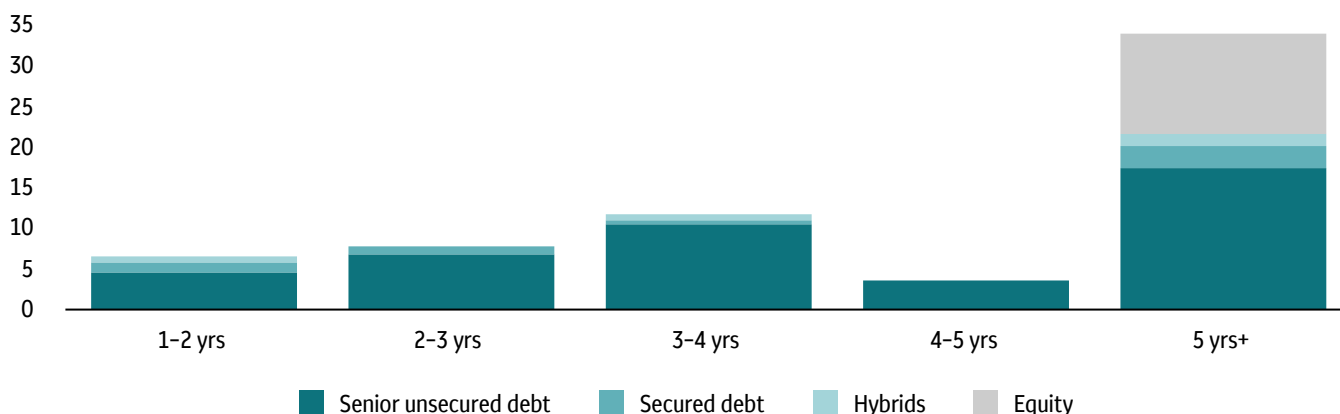
3.6 Funding Profile for the Non-Bank Group

Continued

Term funding profile

Detail of drawn funding maturing beyond one year

\$A billion



	AS AT Mar 26					Total \$Ab
	1-2 yrs \$Ab	2-3 yrs \$Ab	3-4 yrs \$Ab	4-5 yrs \$Ab	5 yrs+ \$Ab	
Structured notes ¹	0.2	0.2	0.3	0.3	0.4	1.4
Bonds	4.0	6.2	4.8	0.9	11.0	26.9
Unsecured loans	0.5	0.5	5.6	2.5	6.1	15.2
Senior unsecured debt	4.7	6.9	10.7	3.7	17.5	43.5
Securitisation ¹	0.7	0.7	0.5	-	-	1.9
Other secured funding	0.5	0.4	-	-	2.8	3.7
Secured debt	1.2	1.1	0.5	-	2.8	5.6
Hybrids ²	0.7	-	0.7	-	1.5	2.9
Equity	-	-	-	-	12.3	12.3
Total term funding sources drawn	6.6	8.0	11.9	3.7	34.1	64.3
Undrawn ³	0.3	0.3	0.2	-	-	0.8
Total term funding sources drawn and undrawn	6.9	8.3	12.1	3.7	34.1	65.1

The weighted average term to maturity of term funding >1 year (excluding equity and securitisations) was 4.6 years as at 31 March 2026. As at 31 March 2026, commercial paper and certificates of deposit represented \$A4.3 billion (6% of total funding), debt <1 year represented \$A2.0 billion (3% of total funding), hybrids with first call date <1 year represented \$A0.9 billion (1% of total funding) and other represented \$A3.3 billion (4% of total funding).

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

- \$US25.0 billion US Rule 144A/Regulation S Medium-Term Note Program, under which \$US10.2 billion of debt securities were outstanding as at 31 March 2026
- \$US20.0 billion Regulation S Debt Instrument Programme under which \$US8.5 billion of debt securities were outstanding as at 31 March 2026
- \$US10.0 billion MGL Commercial Paper Programme under which \$US3.0 billion of debt securities were outstanding as at 31 March 2026
- \$A14.9 billion⁵ of Unsecured Loan Facilities of which \$A14.9 billion⁵ was drawn as at 31 March 2026
- \$US5.0 billion Structured Note Programme under which \$US1.0 billion of structured notes were outstanding as at 31 March 2026
- \$US2.0 billion of external securitisation of which \$US1.4 billion was drawn as at 31 March 2026
- \$US1.7 billion of Muni-gas Prepayment funding outstanding as at 31 March 2026; and
- \$US0.5 billion Secured Trade Finance Facility of which \$US0.5 billion was drawn as at 31 March 2026.

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

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

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

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

⁴ Funding outstanding excludes capitalised costs.

⁵ Values are Australian dollar equivalents as at 31 March 2026.

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 investment in Macquarie- managed funds and other assets classified as held for sale.

04

Capital

Commodities trading floor, Australia

Across its global trading floors, Commodities and Global Markets provides physical and financial market solutions, helping clients manage price risk and navigate ever-evolving energy, metals and agricultural markets.





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 RWA plus Tier 1 deductions using prevailing APRA ADI Prudential Standards; and
- The Non-Bank Group's capital requirement, calculated using Macquarie's ECAM.

Transactions internal to Macquarie are eliminated.

Eligible regulatory capital of Macquarie consists of ordinary share capital, retained earnings and certain reserves plus eligible hybrid instruments. Eligible hybrid instruments as at 31 March 2026 include the MACS, BCN2, BCN3, MCN4, MCN5, MCN6 and MCN7.

On 8 July 2025, APRA announced its proposal to align individual Level 3 banking NOHCs, such as the Company, with the broader bank prudential framework and phase out hybrid instruments. APRA announced that it will engage with relevant Level 3 banking NOHCs to ensure a smooth phase-out of hybrids.

On 4 December 2025, APRA finalised the consequential amendments to the ADI prudential standards to phase out AT1 instruments as eligible regulatory capital. Large internationally active banks such as MBL will be permitted to replace the current 1.5% requirement with an additional 0.25% of CET1 Capital and 1.25% of Tier 2 Capital.

The changes to the ADI prudential standards will take effect from 1 January 2027, with transitional arrangements applying to existing instruments until 1 January 2032.

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, countercyclical capital buffer requirement, leverage ratio and liquidity metrics.

Macquarie Basel III regulatory capital surplus calculation

	AS AT MAR 26	AS AT SEP 25	MOVEMENT
	\$Am	\$Am	%
Macquarie eligible capital:			
Bank Group Gross Tier 1 capital	27,228	25,313	8
Non-Bank Group eligible capital	15,420	15,685	(2)
Eligible capital	42,648	40,998	4
Macquarie capital requirement:			
Bank Group capital requirement			
RWA ¹	165,553	152,771	8
Capital required to cover RWA ²	17,383	16,041	8
Tier 1 deductions	3,474	3,760	(8)
Total Bank Group capital requirement	20,857	19,801	5
Total Non-Bank Group capital requirement	12,457	13,611	(8)
Total Macquarie capital requirement	33,314	33,412	-
Macquarie regulatory capital surplus	9,334	7,586	23

¹ In calculating the Bank Group's contribution to Macquarie's capital requirement, RWA internal to Macquarie are eliminated (Mar 26: \$A1,735 million; Sep 25: \$A1,795 million).

² The Bank Group regulatory requirements are calculated in accordance with Prudential Standard APS 110 Capital Adequacy (APS 110), at 10.5% of RWA (Sep 25: 10.5%). This includes the industry minimum Tier 1 requirement of 6.0%, capital conservation buffer (CCB) of 3.75% and a countercyclical capital buffer (CCyB). The CCyB of the Bank Group at Mar 26 is 0.79% (Sep 25: 0.75%), this is rounded to 0.75% for presentation purposes. The individual CCyB varies by jurisdiction and the Bank Group CCyB is calculated as a weighted average based on exposures in different jurisdictions at period end.

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 III¹. The former reflects Macquarie's regulatory requirements under APRA Basel III rules, whereas the latter is relevant for comparison with banks regulated by regulators other than APRA.

Common Equity Tier 1 Capital

The Bank Group's Common Equity Tier 1 capital under Basel III consists of ordinary share capital, retained earnings and certain reserves, less prescribed regulatory adjustments. MBL periodically assesses the payment of dividends to MGL. MGL may inject capital into MBL, for example to support projected growth in capital requirements.

Tier 1 Capital

Tier 1 capital consists of Common Equity Tier 1 capital and Additional Tier 1 capital (hybrids). Additional Tier 1 capital as at 31 March 2026 consists of MACS, BCN2 and BCN3.

On 4 December 2025, APRA finalised the consequential amendments to the ADI prudential standards to phase out AT1 instruments as eligible regulatory capital. Large, internationally active banks such as MBL will be permitted to replace the current 1.5% requirement with an additional 0.25% of CET1 Capital and 1.25% of Tier 2 Capital

The changes will take effect from 1 January 2027, with transitional arrangements applying to existing instruments until 1 January 2032.

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

are indicative only.

Bank Group Basel III Tier 1 Capital

	AS AT MAR 26		AS AT SEP 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	10,264	10,264	10,267	10,267	-	-
Retained earnings	13,849	13,580	11,476	11,213	21	21
Reserves	731	731	1,140	1,140	(36)	(36)
Gross Common Equity Tier 1 capital	24,844	24,575	22,883	22,620	9	9
Regulatory adjustments to Common Equity Tier 1 capital:						
Other intangible assets	15	15	24	24	(38)	(38)
Deferred tax assets	1,122	13	895	48	25	(73)
Net other fair value adjustments	53	53	114	114	(54)	(54)
Capitalised expenses	1,004	-	985	-	2	-
Shortfall in provisions for credit losses	391	199	491	296	(20)	(33)
Equity exposures	789	-	1,211	-	(35)	-
Other Common Equity Tier 1 capital deductions	100	5	40	-	150	*
Total Common Equity Tier 1 capital deductions	3,474	285	3,760	482	(8)	(41)
Net Common Equity Tier 1 capital	21,370	24,290	19,123	22,138	12	10
Additional Tier 1 Capital						
Additional Tier 1 capital instruments	2,384	2,384	2,430	2,430	(2)	(2)
Gross Additional Tier 1 capital	2,384	2,384	2,430	2,430	(2)	(2)
Deduction from Additional Tier 1 capital	-	-	-	-	-	-
Net Additional Tier 1 capital	2,384	2,384	2,430	2,430	(2)	(2)
Total Net Tier 1 capital	23,754	26,674	21,553	24,568	10	9

4.2 Bank Group Capital

Continued

Bank Group Basel III RWA

	AS AT MAR 26		AS AT SEP 25		MOVEMENT	
	APRA Basel III \$Am	Harmonised Basel III \$Am	APRA Basel III \$Am	Harmonised Basel III \$Am	APRA Basel III %	Harmonised Basel III %
Credit risk (excluding counterparty credit risk)	90,015	68,285	82,992	62,092	8	10
Counterparty credit risk	43,321	36,483	40,109	35,507	8	3
Credit risk RWA for securitisation exposures	1,191	2,229	1,083	1,469	10	52
Equity risk	-	1,973	-	3,002	-	(34)
Market risk	10,540	10,540	8,436	8,436	25	25
Interest rate risk in the banking book	2,040	-	3,220	-	(37)	-
Operational risk	20,181	19,112	18,726	17,807	8	7
Total Bank Group RWA	167,288	138,622	154,566	128,313	8	8
Capital Ratios						
Bank Group Level 2 Common Equity Tier 1 capital ratio (%)	12.8	17.5	12.4	17.3		
Bank Group Level 2 Tier 1 capital ratio (%)	14.2	19.2	13.9	19.1		

4.3 Non-Bank Group Capital

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

RISK ¹	BASEL III ²	ECAM
Credit	Capital requirement generally determined by Basel III IRB formula, with some parameters specified by the regulator (e.g. loss given default estimates for wholesale counterparties)	Capital requirement generally determined by Basel III IRB formula, but with internal estimates of key parameters
Equity	Harmonised Basel III: 250% or 400% risk weight, depending on the type of investment. Deduction from Common Equity Tier 1 above a threshold APRA Basel III: 100% Common Equity Tier 1 deduction ³	Capital requirement generally determined by extension of Basel III credit model to cover equity exposures. Capital requirement between 34% and 82% of face value; average 54%
Market	M ⁴ times 10-day 99% Value at Risk (VaR) plus M ⁴ times 10-day 99% Stressed Value at Risk (SVaR), plus a specific risk charge	Scenario-based approach
Operational	Standardised Measurement Approach	Scenario-based internal measurement approach

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

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

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

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

4.3 Non-Bank Group Capital

Continued

Non-Bank Group capital requirement

	AS AT MAR 26	AS AT SEP 25	MOVEMENT
	Capital Requirement	Capital Requirement	Capital Requirement
	\$Am	\$Am	%
Credit risk	3,641	3,544	3
Equity risk	7,047	7,449	(5)
Market risk	166	149	11
Operational risk	642	750	(14)
Other ¹	961	1,719	(44)
Total Non-Bank Group capital requirement	12,457	13,611	(8)

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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The background of the page features a photograph of a modern, multi-story brick building with balconies. In the foreground, the back of a person's head and shoulders is visible, slightly out of focus. The overall aesthetic is clean and professional.

06

Glossary

Goodstone Living, United Kingdom

Goodstone Living is a real estate investment and development manager, specialising in next-generation rental communities, established by Macquarie Asset Management in 2021. Goodstone's homes are focused on promoting decarbonisation and positive social value.



6.1 Glossary

Defined term	Definition
A	
AASB	Australian Accounting Standards Board.
ABS	Asset Backed Securities.
ADI	Authorised Deposit-taking Institution.
Additional Tier 1 Capital	A capital measure defined by APRA comprising high quality components of capital that satisfy the following essential characteristics: <ul style="list-style-type: none"> • provide a permanent and unrestricted commitment of funds • are freely available to absorb losses • rank behind the claims of depositors and other more senior creditors in the event of winding up of the issuer; and • provide for fully discretionary capital distributions.
Additional Tier 1 Deductions	An amount deducted in determining Additional Tier 1 Capital, as defined in Prudential Standard APS 111 <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 June 2026, 21 September 2026, 21 December 2026 or 21 March 2027 (subject to certain conditions being satisfied) or earlier in specified circumstances. BCN2 can be converted into a variable number of MGL ordinary shares (subject to certain conditions) on these redemption dates; mandatorily exchanged on 21 December 2028; exchanged earlier upon an acquisition event (with the acquirer gaining control of MBL or MGL); where MBL's Common Equity Tier 1 capital ratio falls below 5.125%; or where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).
BCN3	On 27 August 2021, MBL issued 6.5 million Macquarie Bank Capital Notes 3 (BCN3) at a face value of \$A100 each. BCN3 are unsecured, subordinated notes that pay discretionary, quarterly floating rate cash distributions and may be redeemed at face value on 7 September 2028, 7 March 2029 or 7 September 2029 (subject to certain conditions being satisfied) or earlier in specified circumstances. BCN3 can be converted into a variable number of MGL ordinary shares (subject to certain conditions) on these redemption dates; mandatorily exchanged on 8 September 2031; exchanged earlier upon an acquisition event (with the acquirer gaining control of MBL or MGL); where MBL's Common Equity Tier 1 capital ratio falls below 5.125%; or where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support).

Defined term	Definition
BBSW	Bank Bill Swap Rate.
BFS	Banking and Financial Services.
BFS deposits	BFS deposits are deposits by counterparties including individuals, self-managed super funds, and small-medium businesses. Deposit products include Cash Management Account, Term Deposits, Regulated Trust Accounts, and Transaction Accounts.
C	
CCB	Capital Conservation Buffer.
CCyB	Countercyclical Capital Buffer.
Central Service Groups	The Central Service Groups consist of the Corporate Operations Group, Financial Management, People & Engagement Group, Risk Management Group, Legal and Governance Group and Central Executive.
CGM	Commodities and Global Markets.
CLM	Counterparty Lifecycle Management.
Common Equity Tier 1 (CET1) Capital	A capital measure defined by APRA, comprising the highest quality components of capital that fully satisfy all the following essential characteristics: <ul style="list-style-type: none"> • provide a permanent and unrestricted commitment of funds • are freely available to absorb losses • do not impose any unavoidable servicing charge against earnings; and • rank behind the claims of depositors and other creditors in the event of winding up. Common Equity Tier 1 Capital comprises paid up capital, retained earnings, and certain reserves.
Common Equity Tier 1 Capital Ratio	Common Equity Tier 1 Capital net of Common Equity Tier 1 deductions expressed as a percentage of RWA.
Common Equity Tier 1 Deductions	An amount deducted in determining Common Equity Tier 1 Capital, as defined in Prudential Standard APS 111 <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> .
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 Annual Financial Report.
FIRB	Foundation Internal Ratings Based Approach (for determining credit risk).
FVOCI	Fair value through other comprehensive income.
FVTPL	Fair value through profit or loss.
FY2025	The year ended 31 March 2025.
FY2026	The year ended 31 March 2026.

6.1 Glossary

Continued

Defined term	Definition
H	
Headcount	Headcount represents Macquarie's active permanent and variable workforce, and includes Macquarie employees (permanent and casual) and its contingent workers (contractors, agency workers and secondees), 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	<p>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.</p> <p>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).</p>
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	<p>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.</p> <p>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).</p>
MCN5	<p>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.</p> <p>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).</p>
MCN6	<p>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.</p> <p>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).</p>

Defined term	Definition
MCN7	On 16 September 2024, MGL issued 15.0 million Macquarie Group Capital Notes 7 (MCN7) at a face value of \$A100 each. MCN7 are subordinated, non-cumulative, unsecured notes that pay discretionary, non-cumulative, quarterly floating rate cash distributions and may be redeemed at face value on 15 December 2031, 15 June 2032 or 15 December 2032 (subject to certain conditions being satisfied) or earlier in specified circumstances. MCN7 can be converted into a variable number of MGL ordinary shares (subject to certain conditions being satisfied) on these redemption dates; mandatorily exchanged on 15 December 2034; exchanged earlier upon an acquisition event (with the acquirer gaining control of MGL); or where APRA determines MGL would be nonviable without an exchange or a public sector injection of capital (or equivalent support).
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.
MKOF	Macquarie Korea Opportunities Fund.
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.
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.

6.1 Glossary

Continued

Defined term	Definition
T	
Tier 1 Capital	Tier 1 Capital comprises (i) Common Equity Tier 1 Capital; and (ii) Additional Tier 1 Capital.
Tier 1 Capital Deductions	Tier 1 Capital Deductions comprises (i) Common Equity Tier 1 Capital Deductions; and (ii) Additional Tier 1 Capital Deductions.
Tier 1 Capital Ratio	Tier 1 Capital net of Tier 1 Capital Deductions expressed as a percentage of RWA.
True Index products	True Index products deliver clients pre-tax index returns (before buy/sell spreads on transactions). Any under-performance is compensated by Macquarie and conversely, any out-performance is retained by Macquarie.
U	
UK	The United Kingdom.
US	The United States of America.

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