MBL Covered Bond Trust

A.B.N. 90 643 622 525

MACQUARIE

Annual Report

For the financial year ended 31 March 2025

The Trust's registered office is:
Perpetual Limited
123 Pitt Street
Sydney NSW 2000
Australia

MBL Covered Bond Trust

Annual Report for the financial year ended 31 March 2025

Contents

MBL Covered Bond Trust

Manager's Report
For the financial year ended 31 March 2025

The Directors of Macquarie Securitisation Limited (the "Manager") submit their report together with the General Purpose Financial Statements ("the Financial Statements") of MBL Covered Bond Trust ("the Trust"), for the financial year ended 31 March 2025.

Trust Manager and Trustee

The Manager of the Trust for the financial year was Macquarie Securitisation Limited.

The Trustee of the Trust for the financial year was Perpetual Limited.

Directors

The names of the Directors of the Manager holding office during the financial year up to the date of this report are as follows:

Name of Director	Appointed on	Resigned on
Andrew Hall	5 May 2014	-
Daniel McGrath	31 October 2017	12 November 2024
Caroline Emma Fox	10 March 2022	-
Paul Gillespie	12 November 2024	-

Principal activity

The Trust was established under the Macquarie Bank Limited ("the Bank") Covered Bond Programme, under which the Bank will issue notes that are guaranteed by Perpetual Limited as Trustee of the Trust. The guarantee is secured by a cover pool of mortgages held by the Trust. The Trust had no employees during the current and previous financial year. There was no significant change in the nature of these activities during the financial year.

Result

The Financial Statements for the current and previous financial year, and the results herein, have been prepared in accordance with the Australian Accounting Standards.

Review of operations

The Trust recorded a profit for the financial year of $Nil (2024: $Nil)

Operating profit for the financial year was $8,571,000 (2024: $18,425,000).

In October 2024, the Trust acquired loans of $2,448,637,000 from the Bank to ensure sufficient collateral for the EUR 500m Covered Bond issued by the Bank in February 2025.

Distributions

Distribution paid and payable to the income unitholder, the Bank, in accordance with the Trust Deed, was $11,003,000 for the financial year (2024: $10,560,000).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs during the financial year.

MBL Covered Bond Trust

Manager's Report
For the financial year ended 31 March 2025 (continued)

Likely developments and expected results of operations

Disclosure of information relating to likely developments in the operations of the Trust, and the expected results of those operations in subsequent financial years have not been included in the report as, in the opinion of the Directors, it may prejudice the interests of the Trust.

Environmental regulation

The Trust's operations are not subject to any particular or significant environmental regulations under Australian Commonwealth, State or Territory law.

Events subsequent to the reporting date

At the date of this report, the Manager is not aware of any matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations, the results of those operations or the state of affairs of the Trust in subsequent years.

Rounding of amounts

The amounts contained in this report and in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

Signed for and on behalf of Macquarie Securitisation Limited as Manager of the MBL Covered Bond Trust, in accordance with a resolution of the Directors.

Director

Signed by:
Caroline Fox
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Sydney

25 June 2025

MBL Covered Bond Trust

Statement of Profit and Loss
For the financial year ended 31 March 2025

	Notes	2025 $'000	2024 $'000
Interest and similar income	3	**135,992**	99,119
Interest and similar expense	3	**(119,024)**	(76,975)
Net interest income		**16,968**	22,144
Net trading income/(expense)	3	**(203)**	1,039
Credit impairment reversal/(charges)	3	**(1,296)**	483
Net operating income		**15,469**	23,666
Other operating expenses	3	**(6,898)**	(5,241)
Total operating expenses	3	**(6,898)**	(5,241)
Operating profit for the financial year		**8,571**	18,425
Financing costs attributable to the unitholder			
Distributions to the unitholder	13	**(11,003)**	(10,560)
(Decrease)/increase in net liabilities attributable to the unitholder of the Trust	13	**2,432**	(7,865)
Profit attributable to the unitholder of MBL Covered Bond Trust		**—**	—

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes. Credit impairment reversal/ (charges) previously recognised in total operating income has been reclassified to net operating income.

Statement of Other Comprehensive Income
For the financial year ended 31 March 2025

	Notes	2025 $'000	2024 $'000
Profit/(loss) for the financial year		**—**	—
Other comprehensive income/(expense)[1]		**—**	—
Cash flow hedge	14	**2,080**	1,730
Cost of hedge reserve	14	**(1,378)**	(5,324)
(Decrease)/increase in net liabilities attributable to unitholder of the Trust		**(702)**	3,594
Total comprehensive income/(expense)		**—**	—
Total comprehensive income/(expense) is attributable to:			
The unitholder of MBL Covered Bond Trust		**—**	—

[1] All items of other comprehensive income/(expense) may be reclassified subsequently to income statement.

The above Statement of Other Comprehensive Income should be read in conjunction with the accompanying notes.

MBL Covered Bond Trust

Statement of Financial Position
As at 31 March 2025

	Notes	**2025** **$'000**	2024 (Restated) $'000
Assets			
Cash and cash equivalents	4	**111,382**	47,630
Margin money	5	**97,767**	89,576
Other assets	6	**4,069**	3,994
Derivative assets	7	**195,098**	87,048
Financial assets	8	**3,279,761**	1,512,532
Total assets		**3,688,077**	1,740,780
Liabilities			
Margin liability	10	**97,757**	89,576
Other liabilities	11	**926**	11,909
Debt issued	12	**3,623,056**	1,671,227
Total liabilities (excluding net liabilities attributable to the unitholder)		**3,721,739**	1,772,712
Net liabilities - attributable to the unitholder	13	**(33,662)**	(31,932)

The above Statement of Financial Position should be read in conjunction with the accompanying notes. Margin money of $89,576,000 for 2024 has been reclassified from cash and cash equivalents to margin money. The associated liability of the same amount has also been reclassified from other liabilities into margin liability. Refer to Note 2 (iv)(b) for further details.

MBL Covered Bond Trust

Statement of Changes in Equity
For the financial year ended 31 March 2025

	Total Equity $'000
Balance as at 1 April 2023	**–**
Cash flow hedge reserve	1,730
Transfer to unitholder	(1,730)
Balance as at 31 March 2024	**–**
Cash flow hedge reserve	**2,080**
Transfer to unitholder	**(2,080)**
Balance as at 31 March 2025	**–**

Under Australian Accounting Standards (AAS), net liabilities attributable to the unitholder are classified as financial liabilities rather than equity. As a result there was no equity at the start or the end of the year. The net liabilities attributable to the unitholder are disclosed in note 13 to the financial statements.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

MBL Covered Bond Trust

Statement of Cash Flows
For the financial year ended 31 March 2025

	Notes	2025 $'000	2024 $'000
Cash flows generated from/(utilised in) operating activities			
Operating profit for the financial year		**8,571**	18,425
Adjustments to operating profit:			
Interest and similar income	3	**(135,992)**	(99,119)
Interest and similar expenses	3	**119,024**	76,975
Credit impairment charge / (reversal)	3	**1,296**	(483)
Net trading income/(expense)		**203**	(1,039)
Changes in assets and liabilities:			
Financial assets		**(1,772,059)**	787,337
Other assets and other liabilities		**(11,021)**	(4,393)
Derivative assets		**(25,351)**	(21,250)
Cash generated from/(utilised in) operations		**(1,815,329)**	756,453
Interest and similar income received		**139,544**	91,265
Interest and similar expense paid		**(88,536)**	(64,780)
Net cash flows generated from/(utilised in) operating activities		**(1,764,321)**	782,938
Cash flows generated from/(utilised in) investing activities			
Net cash flows generated from/(utilised in) investing activities		**—**	—
Cash flows generated from/(utilised in) financing activities			
Issuance of debt		**3,297,287**	1,735,472
Repayment of debt		**(1,458,211)**	(2,549,748)
Distributions paid to unitholder	13	**(11,003)**	(10,560)
Net cash flows generated from/(utilised in) financing activities		**1,828,073**	(824,836)
Net (decrease)/increase in cash and cash equivalents		**63,752**	(41,898)
Cash and cash equivalents at the beginning of the financial year		**47,630**	89,528
Cash and cash equivalents at the end of the financial year	15	**111,382**	47,630

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the financial statements
For the financial year ended 31 March 2025

Note 1. General information

The General Purpose Financial Statements ("The Financial Statements") of MBL Covered Bond Trust ("the Trust") for the financial year ended 31 March 2025 were approved and authorised for issue by the Board of Directors of Macquarie Securitisation Limited ("the Manager") on 25 June 2025. The Directors of the Manager have the power to amend and re-issue the Financial Statements.

The Trust was established on 5 June 2015 under the Establishment Deed dated 5 June 2015 between Perpetual Limited (the "Covered Bond Guarantor") and the Manager, and the Bond Trust Deed dated 10 June 2015 between the same parties.

The Trust is registered and domiciled in Australia. The address of the Trust's registered office is Perpetual Limited, 123 Pitt Street, Sydney NSW 2000, Australia.

The immediate parent entity of the Trust is Macquarie Bank Limited (MBL) and the ultimate parent entity is Macquarie Group Limited (MGL).

Note 2. Summary of material accounting policies

i) Basis of preparation

This Financial Report is a General Purpose Financial Report which has been prepared in accordance with the Australian Accounting Standards (AAS) and AAS Interpretations issued by the Australian Accounting Standards Board (AASB).

The Financial Statements of the Trust also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

The Financial Statements have been prepared under the historical cost convention, except for certain assets and liabilities as described in the accounting policies below.

Comparative figures represent the prior year annual results and where appropriate, are adjusted so as to be comparable with the figures stated in the current financial year.

Deficiency of net assets

The financial statements for the current financial year have been prepared on a going concern basis despite there being an excess of liabilities (excluding net liabilities attributable to the unitholder) over assets at 31 March 2025 of $33,662,000 (2024: net liabilities of $31,932,000). The net liabilities position is largely attributable to excess distributions over accounting profit and the closing balance of hedging reserves. It's expected as the Trust unwinds, the expected credit loss provision on assets measured at amortised cost will be reversed or realised over time resulting in lower distributions than accounting profit in those future periods. Other non-cash adjustments to the accounting profit, such as the hedge accounting adjustments for derivative financial instruments, will also reduce over time as the instruments approach maturity. The Trust has been structured to earn a net operating income each year and as such the financial statements have been prepared on a going concern basis.

ii) New Australian Accounting Standards and amendments to Australian Accounting Standards and interpretations that are effective in the current financial year

New Australian accounting standards and amendments made to existing standards that were mandatorily effective or have been early adopted for the annual reporting period beginning on 1 April 2024 did not result in material impact on this Financial Report.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 2. Summary of material accounting policies (continued)

iii) New Australian Accounting Standards and amendments to Australian Accounting Standards and interpretations that are not yet effective in the current financial year (continued)

New Australian accounting standards and amendments made to existing standards that are not yet effective, have not been early adopted for this Financial report and are not likely result in a material impact on the Trust.

(a) AASB 18 Presentation and Disclosure in Financial Statements

In June 2024, the Australian Accounting Standards Board issued AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18). This new standard will be effective for the Trust from 1 April 2027 and is applied retrospectively.

AASB 18 supersedes AASB 101 *Presentation of Financial Statements*. While it does not impact the recognition and measurement of items in the financial statements, it introduces new requirements for the presentation and disclosure of information in general purpose financial statements.

The Trust is currently continuing to assess the full impact of adopting AASB 18.

(b) Amendments to AASB 9 Financial Instruments and AASB 7 Financial Instruments: Disclosure

In August 2024, the Australian Accounting Standards Board issued AASB 2024-2 to amend AASB 7 *Financial Instruments: Disclosures* (AASB 7) and AASB 9 *Financial Instruments* (AASB 9). AASB 2024-2 amends AASB 7 and AASB 9 in response to feedback from the International Accounting Standard Board's 2022 Post-implementation Review of the classification and measurement requirements in AASB 9 and the related requirements in AASB 7.

The amendments are effective for the reporting periods beginning on or after 1 January 2026, with earlier application permitted. An entity is required to apply the amendments retrospectively.

The Trust is continuing to assess the full impact of the amendments to AASB 7 and AASB 9.

iv) Critical accounting estimates, significant judgements and errors

The preparation of the Financial Statements in compliance with the Australian Accounting Standards requires the Manager to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

a) Significant estimates and judgements

The Notes to the Financial Statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the Trust and the Financial Statements, such as:

– the choice of inputs, estimates and assumptions used in the measurement of Expected Credit Loss, including the determination of significant increase in credit risk (SICR), forecast of economic conditions and the weightings assigned thereto (notes 2(viii)(d) and 9).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 2. Summary of material accounting policies (continued)

iv) Critical accounting estimates, significant judgements and errors (continued)

b) Prior period adjustments

The margin money held by the Trust has been reclassified on the Statement of Financial Position due to its restricted nature. To provide greater transparency, the associated liability has also been reclassified into a separate line item. This reclassification ensures that the restricted cash is clearly distinguished from unrestricted cash and cash equivalents, in accordance with AASB 107 *Statement of Cash Flows*.

Statement of financial position	**31 March 2024 $'000**	**a) Increase/ (decrease) $'000**	**31 March 2024 (Restated) $'000**
Assets			
Cash and cash equivalents	137,206	(89,576)	**47,630**
Margin money	—	89,576	**89,576**
Other assets	3,994	—	**3,994**
Derivative assets	87,048	—	**87,048**
Financial assets	1,512,532	—	**1,512,532**
Total assets	1,740,780	—	**1,740,780**
Liabilities			
Margin liability	—	89,576	**89,576**
Other liabilities	101,485	(89,576)	**11,909**
Debt issued	1,671,227	—	**1,671,227**
Total liabilities	1,772,712	—	**1,772,712**
Net assets/(liabilities) - attributable to the unitholder	(31,932)	—	**(31,932)**

v) Foreign currency translation

Functional and presentation currency

The functional currency of the Trust is determined as the currency of the primary economic environment in which the Trust operates. The Trust's financial statements are presented in Australian dollars (the presentation currency), which is also the Trust's functional currency.

Transactions and balances

At initial recognition, a foreign currency transaction is translated into the Trust's functional currency using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting period:

- foreign currency monetary assets and liabilities are translated using the closing exchange rate,; and
- non-monetary items measured in terms of historical cost in a foreign currency remain translated using the spot exchange rate at the date of the transaction.

Foreign exchange gains and losses arising from the settlement or translation of monetary items, are recognised in Net trading income/(expense).

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 2. Summary of material accounting policies (continued)

vi) Revenue and expense recognition

Net interest income

Interest income and expense are recognised using the effective interest rate method for financial assets and liabilities. The method calculates the amortised cost of a financial instrument at a rate that discounts estimated future cash flows over the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

When the estimates of payments or receipts of a financial instrument are subsequently revised, the carrying amount is adjusted to reflect the actual or revised cash flows with the remeasurement recognised as part of interest income (financial assets) or interest expense (financial liabilities). The calculation of the effective interest rate does not include expected credit losses.

Net trading income/(expense)

Net trading income comprises gains and losses related to unrealised fair value changes on derivative financial instruments except fair value changes accounted for in other comprehensive income on application of cash flow hedge accounting. Hedge ineffectiveness is also reported in net trading income.

Other operating expenses

Other operating expenses are recognised in the Statement of Profit and Loss as and when the provision of services is received.

Distribution expense

In accordance with the Transaction Documents, the Trust fully distributes its income to unitholders by reference to the net cash income of the Trust. The distributions are recognised in the Statement of Profit and Loss as finance costs attributable to the unitholder.

vii) Taxation

Income Tax

Under the current legislation, the Trust is not subject to income tax because all taxable income has been distributed in full to the unitholder.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 2. Summary of material accounting policies (continued)

vii) Taxation (continued)

Goods and services tax (GST)

Items in the income statement are recognised net of GST except where the tax incurred is not recoverable from the taxation authority. In these circumstances, the tax is recognised as part of the expense or included in the cost of the asset.

viii) Assets

(a) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and balances with financial institutions, including with the parent entity. Cash and cash equivalents exclude margin money balances which is segregated from the Trust's own funds and are thus restricted from use.

(b) Financial assets

Recognition

Financial assets are recognised when the Trust becomes a party to the contractual provisions of the asset.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the asset have expired, or when the Trust has either transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full under a 'pass through' arrangement and transferred substantially all the risks and rewards of ownership.

Classification and measurement

The Trust has purchased the rights, title and interest in a pool of mortgages from the Bank. In addition, the Trust has entered into basis swaps with the Bank to manage exposures to interest rate risk in relation to the underlying mortgage pool receivable, and issued to the Bank the residual income units of the Trust.

The Bank is unable to derecognise the mortgage loans sold to the Trust as the terms of the transaction structure result in the Bank retaining substantially all the risks and rewards associated with the underlying mortgage loans. Accordingly, the Bank is unable to separately recognise the basis swaps in its standalone financial statements.

Consequently, the Trust has recognised as a financial asset the receivable from the Bank representing the contractual cash flows owing under the securitisation arrangement. The basis swap forms part of the financial asset as one unit of account. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. The contractual cash flows on these financial assets comprise of principal and interest payments only. The financial asset is therefore initially recognised at the fair value of the consideration paid and is subsequently measured at amortised cost.

Payments under the basis swaps are recognised in the Statement of Profit and Loss as net interest income from the financial assets.

(c) Other assets

Other assets primarily includes balance due from related entities. These transactions are measured at amortised cost.

(d) Impairment

Impairment requirements are based on an expected credit loss (ECL) model.

The ECL model applies to all financial assets measured at amortised cost. The Manager determines expected loss on financial assets by reference to the underlying loans from which the receivable from the Bank is derived.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 2. Summary of material accounting policies (continued)

viii) Assets (continued)

(d) Impairment (continued)

The model uses a three-stage approach to measuring the ECL based on changes in the financial asset's underlying credit risk and includes forward looking information (FLI).

ECL is measured as the product of probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The calculation of ECL requires judgement and the choice of inputs, estimates and assumptions. Refer to Note 9 – Expected credit loss for further information. Outcomes within the next financial period that are different from management's assumptions and estimates could result in changes to the timing and amount of ECL to be recognised.

The ECL is determined with reference to the following stages:

(i) Stage 1: 12 months ECL - performing financial assets

At initial recognition, and for financial assets for which there has not been a significant increase in credit risk (SICR) since initial recognition, ECL is determined based on the probability of default (PD) over the next 12 months adjusted for FLI. Stage I also includes financial assets where the credit risk has improved and has been reclassified from Stage II.

(ii) Stage 2: Lifetime ECL - performing financial assets that have experienced a significant increase in credit risk ("SICR")

When there has been a SICR since initial recognition, the ECL is determined with reference to the financial asset's lifetime PD adjusted for FLI. The Trust exercises judgement in determining whether there has been a SICR since initial recognition based on qualitative, quantitative, and reasonable and supportable information that includes FLI. Detail on the Banks's process to determine whether there has been a SICR is provided in Note 9 Expected credit losses.

Use of alternative criteria could result in significant changes to the timing and amount of ECL to be recognised. Lifetime ECL is generally determined based upon the contractual maturity adjusted, where appropriate, for prepayments, extension, call and similar options, of the financial asset. Stage II may include financial assets where the credit risk has improved and has been reclassified from Stage III.

(iii) Stage 3: Lifetime ECL - non-performing financial assets

Financial assets are classified as Stage III where they are determined to be credit impaired, which generally matches the APRA definition of default. This includes exposures that are at least 90 days past due and where the obligor is unlikely to pay without recourse against available collateral.

The ECL for credit impaired financial assets is generally measured as the difference between the contractual and expected cash flows from the individual exposure, discounted using the EIR for that exposure.

Presentation of ECL allowances

The ECL allowances for financial assets and other assets are presented as a deduction to the gross carrying amount in the statement of financial position. When the Trust Manager concludes that there is no reasonable expectation of recovering cash flows from the financial asset and all possible collateral has been realised, the financial asset is written off, either partially or in full, against the related provision. Recoveries of loans previously written off are recorded based on the cash received.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 2. Summary of material accounting policies (continued)

ix) Derivative instruments and hedging activities

The Trust enters into cross-currency interest rate swaps to manage its exposure to interest rate risk and foreign exchange rate risk.

These derivative instruments are principally used for the risk management of existing financial liabilities. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value. Fair values are obtained from quoted prices in active markets, where available, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. Movements in the fair values of such derivatives are recognised in the income statement in net trading income, unless the derivative meets the requirements for cash flow hedge accounting. The best evidence of a derivative's fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only data from observable markets. Where such evidence exists, the Trust recognises profits or loss immediately when the derivative is recognised.

Hedge accounting

As part of its ongoing business, the Trust is exposed to several financial risks, principally that of interest and foreign exchange rates risk (collectively referred to as the hedged risk or exposure). The Trust has limited appetite for such risks and has policies and practices in place to ensure that these risks are effectively managed. The Trust mitigates these risks through the use of derivative financial instruments (collectively referred to as hedging instruments). In order to account for the difference in measurement bases or location of the gains and losses between the exposure that is being hedged and the hedging instrument, the Trust applies hedge accounting to select derivative instruments as detailed in the table that follows:

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 2. Summary of material accounting policies (continued)

ix) Derivative instruments and hedging activities (continued)

	Fair value hedges	Cash flow hedges
Nature of hedge	The hedge of change in fair value of a recognised asset or liability.	The hedge of the change in cash flows of a financial liability.
Hedged risk	- Interest rate risk	- Foreign exchange risk
Hedged item	- Fixed interest rate financial liabilities	- Foreign currency denominated interest bearing financial liabilities
Hedging instruments	Cross currency interest rate swaps	
Designation and documentation	At inception of the hedge relationship, documentation is required of the Trust's risk management objective and strategy for the hedge, hedging instrument, hedged item, hedged risk and how the hedge relationship will meet the hedge effectiveness requirements.	
Hedge effectiveness method	All hedge relationships are assessed for prospective hedge effectiveness both at the inception of the hedge, at each reporting period and on any significant change in circumstances affecting the hedge, by demonstrating that: - an economic relationship exists between the hedged item and the hedging instrument; - credit risk does not dominate the changes in value of either the hedged item or the hedging instrument; and - the hedge ratio is reflective of the Trust's risk management approach. The hedge effectiveness assessment is performed by a combination of qualitative and, where applicable, quantitative assessments. Changes in the hedge ratio, or rebalancing, may be required to adjust the designated quantities of either the hedged item or the hedging instrument.	
Accounting treatment for the hedging instrument	Fair value through the income statement.	Fair value through the cash flow hedge reserve as part of OCI and then recognised in the income statement at the time at which the hedged item affects the income statement for the hedged risk.
Accounting treatment for the hedged item	Adjustments to the carrying value are recognised in the income statement for changes in fair value attributable to the hedged risk.	Accounted for on an amortised cost basis
Accounting treatment for hedge ineffectiveness	Recognised as part of net trading income in the income statement to the extent that changes in fair value of the hedged item attributable to the hedged risk are not offset by changes in fair value of the hedging instrument.	Recognised as part of net trading income in the income statement to the extent to which changes in fair value of the hedging instrument exceed, in absolute terms, the change in fair value of the hedged item.
Accounting treatment if the hedge relationship is discontinued	Where the hedged item still exists, adjustments to the hedged item are amortised to the income statement on an effective interest rate basis.	The gain or loss remains in the cash flow hedge reserve to the extent that the hedged cash flows are still expected to take place and subsequently recognised in the income statement at the time at which the hedged item affects the income statement for the hedged risk. Where the hedged cash flows are no longer expected to take place, the gain or loss in the cash flow hedge reserve is recognised immediately in the income statement.
Other accounting policies	None	The foreign currency basis spread of financial instruments, being the liquidity charge for exchanging different currencies, is excluded from the hedge designation. This spread is deferred in the cost of hedging reserves and released to the income statement at the time when the hedged exposure affects the income statement.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 2. Summary of material accounting policies (continued)

x) Margin liability

Margin liability includes margin monies with swap counterparties. Margin monies primarily represent cash collateral posted by the swap counterparties in relation to the cross currency swaps to hedge interest rate and foreign exchanged risks associated with the EUR Covered Bond exposure.

xi) Liabilities

(a) Other liabilities

Other liabilities includes payables and accrued expenses owing by the Trust which are unpaid as at balance sheet date. They are initially recognised at fair value and subsequently measured at amortised cost.

Presentation of ECL allowances

The ECL allowances for undrawn credit commitments are presented as a provision included in other liabilities.

(b) Debt issued

Recognition

Financial liabilities, including debt issued, are recognised when the Trust becomes a party to the contractual provisions of the liability.

Derecognition

Financial liabilities are derecognised from the Statement of Financial Position when the Trust's obligation has been discharged, cancelled or has expired.

Classification and measurement

The Trust has issued debt securities which are initially recognised at fair value net of transaction costs incurred, and subsequently measured at amortised cost under the effective interest method.

(c) Net assets/(liabilities) attributable to the unitholder

Under the terms of the Establishment Deed and the transaction documents of the Trust, residual income units and residual capital units have been issued to unitholders.

Capital unit

The capital unitholder of the Trust is the Bank. Residual capital unitholders have no right to receive distributable income except on termination of the Trust to an amount equal to the initial subscription price, subject to availability of funds in the Trust. The units issued are initially recognised at the fair value of the consideration received and subsequently measured at amortised cost. Under Australian Accounting Standards (AAS), the residual capital unit is classified as a financial liability rather than equity.

Income unit

The income unitholder of the Trust is the Bank. Residual income unitholders have a present entitlement to the distributable income of the Trust. All net assets attributable to unitholders have been recognised as liabilities of the Trust, rather than as equity due to the entitlement to the income and/or the mandatory redemption of the units. The Trust has been structured to earn a net interest income each year. Non-cash gains/(losses) are retained in the Trust and are expected to be reversed or realised over time. The classification of the net assets/liabilities attributable to the unitholder does not alter the underlying economic interest of the unitholders in the net assets and comprehensive income attributable to unitholders of the Trust. The income units issued are initially measured at fair value, being consideration received, and subsequently measured at amortised cost.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 2. Summary of material accounting policies (continued)

xii) Contingent liabilities and commitments

Undrawn commitments on the financial assets represent commitments that the Trust has to its parent entity MBL, on the underlying securitised mortgage assets. This includes fully or partially undrawn commitments against which clients can borrow money under defined terms and conditions. Despite being revocable, these commitments are considered to be exposed to credit risk.

xiii) Segment reporting

The Trust operates in only one segment that is domiciled in Australia to act as a special purpose vehicle for securitisation of MBL mortgage portfolio. The Trust has no other operating segment.

xiv) Rounding of amounts

The amounts contained in this financial report have been rounded to the nearest thousand dollars, unless otherwise indicated. In the previous financial year, amounts were rounded to the nearest dollar. The change in rounding is to enhance the readability and comparability of the financial statements. This change in rounding has not resulted in any material impact on the financial information presented.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

	2025 $'000	2024 $'000
Note 3. Profit for the financial year		
Net interest income		
Interest and similar income	**135,992**	99,119
Interest and similar expense	**(119,024)**	(76,975)
Net interest income	**16,968**	22,144
Net trading income/(expense)	**(203)**	1,039
Credit impairment reversal/(charges)		
Cash and cash equivalents	**(27)**	(7)
Financial assets	**(1,277)**	318
Other assets	**6**	1
Other liabilities[1]	**2**	171
Net operating income	**15,469**	23,666
Other operating expenses		
Management fees[2]	**(3,645)**	(3,553)
Trustee fees	**(177)**	(129)
Custody fees	**(36)**	(45)
Servicer fees[3]	**(2,452)**	(782)
Other expenses	**(588)**	(732)
Total operating expenses	**(6,898)**	(5,241)
Operating profit for the financial year	**8,571**	18,425

Credit impairment reversal/(charges) previously recognised in total operating income has been reclassified to net operating income to align with the presentation of Macquarie Bank Limited.
[1]Relates to ECL on undrawn commitments in Note 18. Contingent liabilities and commitments.
[2]The management fees has been calculated as 15 basis points (2024: 15 basis points) on the monthly debt balance.
[3]The servicer fees has been calculated as 10.3 basis points (2024: 10 basis points) on the monthly debt balance. 10 basis points on the monthly debt balance was charged prior to 1 February 2025.

	2025 $'000	2024 (Restated) $'000
Note 4. Cash and cash equivalents		
Cash at bank	**5**	833
Due from parent entity	**111,413**	46,806
ECL - Cash, bank and other demand deposits	**(36)**	(9)
Total cash and cash equivalents	**111,382**	47,630

The above amounts are expected to be recovered within 12 months of the reporting date by the Trust. Margin money of $89,576,000 for 2024 has been reclassified from cash and cash equivalents to margin money. Refer to Note 2 (iv)(b) for further details.

MBL Covered Bond Trust

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

	2025 $'000	2024 (Restated) $'000
Note 5. Margin money		
Margin money	**97,767**	89,576
Total margin money	**97,767**	89,576

This relates to restricted margin money received under derivative collateral arrangement. The margin money held by the Trust has been reclassified on the Statement of Financial Position due to its restricted nature. To provide greater transparency, the associated liability has also been reclassified into a separate line item. This reclassification ensures that the restricted cash is clearly distinguished from unrestricted cash and cash equivalents, in accordance with AASB *107 Statement of Cash Flows.* Prior year comparatives as at 31 March 2024 have been restated to reduce $89,576,000 from cash and cash equivalents. Refer to Note 2 (iv)(b) for further details.

Margin money is expected to be settled within 12 months of the reporting date.

	2025 $'000	2024 $'000
Note 6. Other assets		
Due from related entities		
Parent entity	**4,073**	4,005
Goods and services tax receivable	**2**	1
ECL allowance[1]	**(6)**	(12)
Total other assets	**4,069**	3,994

The above amounts are expected to be recovered within 12 months of the reporting date by the Trust.
[1]Relates to ECL due from related entity.

	2025 $'000	2024 $'000
Note 7. Derivative assets		
Cross-currency swap	**195,098**	87,048
Total derivative assets	**195,098**	87,048

	2025 $'000	2024 $'000
Note 8. Financial assets		
Due from parent entity[1, 2]	**3,282,101**	1,513,595
Less: ECL allowance	**(2,340)**	(1,063)
Total financial assets	**3,279,761**	1,512,532

[1]Of the above amount, $2,510,158,000 (2024: $1,207,737,000) is expected to be recovered after twelve months of the reporting date by the Trust.

[2]Mortgage loan assets have been purchased by the Trust from MBL by equitable assignment, but fail the derecognition criteria for MBL under the accounting standards. As a result, MBL continues to recognise the individual assets in its statement of financial position and the Trust has recorded Financial assets, receivable from MBL.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 9. Expected credit losses

Background

At the reporting date, the Trust has presented the ECL allowances for financial assets measured at amortised cost as a deduction against the gross carrying amount in its statement of financial position.

The financial assets of the Trust represents a receivable from the Bank of cash flows on the underlying securitised mortgages. Expected credit losses estimated on the underlying securitised mortgages, including undrawn commitments of the mortgages, is therefore used to derive the expected credit losses of the financial assets of the Trust.

Model inputs

The Bank, as immediate parent entity of the Trust, has developed and tested models which the Trust uses to calculate expected credit loss provisions. ECL is modelled for on-balance sheet financial assets measured at amortised cost, as well as off-balance sheet items such as undrawn commitments.

These models incorporate a range of components notably that of Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD) ('credit inputs') as well as Forward-Looking Information (FLI). For retail portfolios, behavioural variables are also considered in the determination of inputs for ECL modelling.

The key model inputs used in measuring the ECL include:

- Exposure at default: The EAD represents the estimated exposure in the event of a default.
- Probability of default: The calculation of PDs for retail exposures is generally performed at a facility level. Retail exposures are segmented based on product type and shared characteristics that are highly correlated to credit risk such as region, product, counterparty groupings, loan-to-value ratio (LVR) and other similar criteria. PD estimates for retail portfolios are adjusted for FLI.
- Loss given default: The LGD associated with the PD used is the magnitude of the ECL in a default event. The LGD is estimated using historical loss rates considering relevant factors for individual exposures or portfolios.

Significant increase in credit risk (SICR)

The Bank periodically assesses exposures to determine whether there has been a SICR, which may be evidenced by either qualitative or quantitative factors. Qualitative factors may include, but are not limited to material change in internal credit rating or whether an exposure has been identified and placed on CreditWatch, an internal credit monitoring mechanism supervised by senior management to closely monitor exposures showing signs of stress. All exposures on CreditWatch are classified as stage II or, if defaulted, as stage III.

Retail exposures

Exposures are assigned a behavioural score which considers the exposures' lifetime PD on initial recognition. This behavioural score is periodically assessed and updated to reflect changes in the underlying exposures' credit behaviour.

SICR movement thresholds between origination and reporting date of behavioural score movements have been established that, where exceeded, result in the exposure being categorised as stage II.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 9. Expected credit losses (continued)

Definition of default

The Bank's definition of default determines the reference point for the calculation of the ECL components, and in particular the PD. Default is generally defined as the point when the borrower is unlikely to pay its credit obligations in full, without recourse by the Bank to the realisation of collateral; or the borrower is 90 days or more past due.

The Bank periodically monitors its exposures for potential indicators of default such as significant financial difficulty of the borrower which includes breaches of lending covenants; it is probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Forward looking information

The inclusion of FLI in calculating ECL allowances adjusts the PD, the determination of SICR in retail portfolios as well as the LGD (that is relevant to the determination of the recovery rates on collateral). The predicted relationships between key market indicators and the key model components (EAD, PD and LGD) in measuring the ECL have been developed by analysing historical data as part of the development of internal models, and the calibration and validation process.

The Bank applies its professional judgement in determining whether there are any inherent risks in the models' predictive outcomes. The overlays primarily reflect management's assessment of the current economic and credit environment relative to the FLI credit cycle model. These overlays account for the risk that underlying credit risk events have occurred, but observable modelled inputs are yet to reflect those events, as well as risks that are specific to regions, counterparties or industries which are difficult to account for within the modelled outcomes.

Risk Management Group (RMG) is responsible for the FLI including the development of scenarios and recommending the range of probability weights to apply to those scenarios. For this purpose, four possible economic scenarios have been developed for this period, being an upside, downside, severe downside and baseline scenario. In calculating the ECL, each of the scenarios is probability weighted and then applied to the exposures' PDs and LGDs.

The table below presents the gross exposure and related ECL allowance for assets measured at amortised cost subject to impairment requirements of AASB 9.

	As at 31 Mar 2025		As at 31 Mar 2024 (Restated)	
	Gross exposure	**ECL allowance**	Gross exposure	ECL allowance
	$'000	**$'000**	$'000	$'000
Cash and cash equivalents	111,418	(36)	47,639	(9)
Margin money	97,767	—	89,576	—
Other assets	4,073	(6)	4,005	(12)
Financial assets	3,282,101	(2,340)	1,513,595	(1,063)
Undrawn commitments	216,860	(27)	108,933	(29)
Total	3,712,219	(2,409)	1,763,748	(1,113)

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 9. Expected credit losses (continued)

The following tables provide a reconciliation between the opening and closing balance of the ECL allowance.

	Cash, bank and other demand deposits $'000	Margin money $'000	Other assets $'000	Financial assets $'000	Other liabilities $'000	Total $'000
Balance as at 1 April 2023	2	—	13	1,381	200	1,596
Credit impairment (reversal)/charge	7	—	(1)	(318)	(171)	(483)
Foreign exchange, reclassification and other movements	—	—	—	—	—	—
Balance as at 31 March 2024	9	—	12	1,063	29	1,113
Credit impairment (reversal)/charge	27	—	(6)	1,277	(2)	1,296
Foreign exchange, reclassification and other movements	—	—	—	—	—	—
Balance as at 31 March 2025	**36**	**—**	**6**	**2,340**	**27**	**2,409**

Financial assets represent the Trust's most significant component of credit exposures on which ECL allowances are carried.

ECL on financial assets

The tables below represent the reconciliation of the ECL allowance on financial assets to which the impairment requirements under AASB 9 are applied.

	Stage 1 12 month ECL $'000	Stage II Not credit impaired $'000	Stage III Credit impaired $'000	Total ECL allowance $'000
Balance as at 1 April 2023	733	592	56	1,381
Transfers during the year	16	(16)	—	—
Credit impairment (reversal)/charge (Note 3)	(235)	(92)	9	(318)
Balance as at 31 March 2024	514	484	65	1,063
Transfers during the year	103	(103)	—	—
Credit impairment (reversal)/charge (Note 3)	13	1,095	169	1,277
Balance as at 31 March 2025	**630**	**1,476**	**234**	**2,340**

	2025 $'000	2024 (Restated) $'000
Note 10. Margin liability		
Margin money	**97,757**	89,576
Total Margin liability	**97,757**	89,576

Margin money is expected to be settled within 12 months of the reporting date.

The margin money held by the Trust has been reclassified on the Statement of Financial Position due to its restricted nature. To provide greater transparency, the associated liability has also been reclassified into a separate line item. Prior year comparatives as at 31 March 2024 have been restated to reduce $89,576,000 from other liabilities. Refer to Note 2 (iv)(b) for further details.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 11. Other liabilities

	2025 $'000	2024 (Restated) $'000
Due to related entities:		
Parent		
Working capital facility	–	10,000
Other	**203**	87
Other		
Management fees	**266**	122
Other	**408**	408
ECL allowance[1]	**27**	29
Other[2]	**22**	1,263
Total other liabilities	**926**	11,909

Movement is due to repayment of $10,000,000 working capital and representation of margin liability in Note 10.
[1]Relates to ECL on undrawn commitments in Note 18. Contingent liabilities and commitments.
[2]The majority of the balances relate to trustee fees.

Note 12. Debt issued

	2025 $'000	2024 $'000
AUD demand loan	**1,701,382**	683,556
EUR intercompany loan	**1,919,995**	1,006,745
Fair Value Hedge Adjustment	**1,679**	(19,074)
Total debt issued	**3,623,056**	1,671,227

Reconciliation of Debt issued

	2025 $'000	2024 $'000
Opening debt balance	**1,671,227**	2,454,868
Debt issued to MBL	**3,297,287**	1,735,472
Debt repaid	**(1,458,211)**	(2,549,748)
Fair value hedge adjustment	**20,755**	13,311
Accrued interest	**4,387**	(1,258)
FX revaluation	**87,611**	18,582
Closing debt balance[1]	**3,623,056**	1,671,227

The balance represents term loan taken from MBL in EUR $1,109,690,000 (2024: EUR $608,397,000).
[1]Of the above amount, $792,283,000 (2024: $153,234,000) is expected to be recovered within twelve months of the reporting date and the remaining $2,830,773,000 (2024: $1,517,993,000) is expected to be recovered after twelve months of the reporting date by the Trust.
There are Covered Bonds of EUR 600,000,000 and EUR 500,000,000 issued by MBL in September 2022 and in February 2025 respectively, which are collateralised against loan assets of MBL Covered Bond Trust. These are debt obligations (guaranteed by Perpetual Limited (note 18)) that benefit from dual recourse to both MBL and the pool of home loans. MBL's Covered Bond programme is managed by Group Treasury of Macquarie Group and the Trust Manager administers the cover pool of home loans. These bonds are due to mature in September 2027 and in February 2030 respectively.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

	2025	2024
	$'000	$'000
Note 13. Net liabilities - attributable to the unitholder		
Excess distributions over accounting profit	**(22,657)**	(20,226)
Cash flow hedge reserve	**(1,699)**	(3,779)
Cost of hedging reserve	**(9,306)**	(7,927)
Net liabilities - attributable to the unitholder	**(33,662)**	(31,932)

Reconciliation of Net liabilities - attributable to the unitholder

	2025	2024
Opening balance	**(31,932)**	(36,203)
Operating profit for the financial year	**8,571**	18,425
Payment of distribution attributable for the year	**(11,003)**	(10,560)
Transfer from cash flow hedge reserve (note 14)	**2,080**	1,730
Transfer from cost of hedging reserve (note 14)	**(1,378)**	(5,324)
Net liabilities - attributable to the unitholder	**(33,662)**	(31,932)

The Residual Income Unitholder is entitled to the residual income of the Trust and the Residual Capital Unitholder is entitled to the residual capital.

	2025	2024
	$'000	$'000
Note 14. Net reserves - attributable to the unitholder		
Cash flow hedge reserve		
Balance at the beginning of the financial year	**—**	—
Net movement recognised in OCI during the financial year, net of tax	**(43,194)**	(18,582)
Transferred to income statement on realisation, net of tax	**45,274**	20,312
Transfer to unitholder	**(2,080)**	(1,730)
Balance at the end of the financial period	**—**	—
Cost of hedge reserve	**$'000**	**$'000**
Balance at the beginning of the financial year	**—**	—
Net movement recognised in OCI during the financial year, net of tax	**(1,378)**	(5,324)
Transferred to income statement on realisation, net of tax	**—**	—
Transfer to unitholder	**1,378**	5,324
Balance at the end of the financial period	**—**	—

	2025	2024 (Restated)
	$'000	$'000
Note 15. Notes to the statement of cash flows		
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the financial year are reflected in the related items on the Statement of Financial Position as follows:		
Cash, bank and other demand deposits[1] (note 4)	**111,382**	47,630
Cash and cash equivalents at the end of the financial year	**111,382**	47,630

[1] Includes cash at bank and cash equivalents due from Parent.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 16. Related party information

Parent

The immediate parent entity is Macquarie Bank Limited (MBL). The ultimate parent entity is Macquarie Group Limited (MGL). MBL is the debt provider, basis swap provider, residual capital and income unit holder of the Trust.

For interest and similar income, there is a shortfall mechanism for MBL to top-up interest due to the mortgage offset deposit accounts linked to mortgage loan assets.

Trust Manager

The Trust Manager of MBL Covered Bond Trust is Macquarie Securitisation Limited (MSL).

Servicer

The Servicer of MBL Covered Bond Trust is MBL.

Transactions with related parties	**2025**	2024
During the financial year, the following transactions were made with the parent entity:	**$**	$
Distributions paid/payable	**(11,003,409)**	(10,559,966)
Interest and similar income	**135,984,694**	97,706,620
Interest and similar expense	**(119,024,083)**	(55,100,400)
Impairment reversal/(charges)	**(1,295,598)**	483,496
Servicer fees (note 3)	**(2,452,027)**	(781,505)
During the financial year, the following transactions were made with other related entity:		
Management fees (note 3)	**(3,645,122)**	(3,552,840)

Amounts receivable from and payable to related entities are disclosed in note 4, 6, 8, 11, 12 and 18 to the financial statements. During the financial year $2,448,637,000 of loans were acquired from MBL (FY24: $1,714,844,000), and $94,388,000 were sold to MBL (FY24: $2,005,484,000).

All transactions with related entities were made on normal commercial terms and conditions and at market rates except where indicated.

Note 17. Key management personnel disclosure

The following persons were Directors of the Trust Manager and those having the authority and responsibility for planning, directing and controlling activities of the Trust (Key Management Personnel – KMP) during the financial years ended 31 March 2025 and 31 March 2024 unless otherwise indicated were:

Name of Director	**Appointed on**	**Resigned on**
Andrew Hall	5 May 2014	-
Daniel McGrath	31 October 2017	12 November 2024
Caroline Emma Fox	10 March 2022	-
Paul Gillespie	12 November 2024	-

No Directors of the Manager are Directors of the ultimate parent entity.

Remuneration to Key Management Personnel

The KMP did not receive any other benefits or consideration in connection with the management of the Trust. All other benefits that were received by KMP were solely related to other services performed with respect to their employment within the Macquarie Group Limited.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 18. Contingent liabilities and commitments

Credit commitments	2025 $'000	2024 $'000
Undrawn commitments on financial assets	**216,860**	108,933
Total credit commitments	**216,860**	108,933

Undrawn credit commitments on the financial assets include fully or partially undrawn commitments against which underlying mortgage holders can borrow money from the Bank under defined terms and conditions. The Trust has an obligation to fund these commitments to the Bank.

The Trust has no other contingent liabilities or commitments which are individually material or a category of contingent liabilities or commitments which are material.

Perpetual Limited, in its capacity as Trustee of the MBL Covered Bond Trust, has issued a guarantee in favour of the Bond Trustee (DB Trustees (Hong Kong)) Limited. As the Covered Bonds Guarantor, Perpetual Limited as Trustee of the Covered Bonds Trust has agreed to guarantee all Covered Bonds issued by the Bank under the Programme.

Note 19. Hedge accounting

Hedging strategy

The use of derivative and non-derivative instruments to economically hedge non-traded positions potentially gives rise to income statement volatility as a result of mismatches in the accounting treatment between the derivative instruments and the related exposure, namely EUR fixed interest rate liabilities. The Trust's objective is to reduce the risk of volatility in earnings. This volatility may be managed by allowing hedges to naturally offset one another or, where the earnings volatility exceeds pre-defined thresholds, hedge accounting is considered.

Hedging instruments

The following table details the hedging instruments, the nature of hedged risks, as well as the notional and the carrying amount of derivative financial instruments for each type of hedge relationship. The maturity profile for the hedging instruments' notional amounts are reported based on their contractual maturity. Where a cross currency swap has been dual designated in both a cash flow and fair value hedge, the notional is shown more than once. Increases in notional profiles of hedging instruments are presented as negative balances, with decreases and maturities presented as positive balances.

			Maturity analysis per Notional					Carrying amount[1]
2025	**Risk**	**Hedging instruments**	**Less than 3 months $'000**	**3 to 12 months $'000**	**1 to 5 years $'000**	**Over 5 years $'000**	**Total $'000**	**Total $'000**
Hedging instruments - assets								
Cash flow hedges	Foreign exchange	Cross currency interest rate swaps	—	—	1,038,124	—	1,038,124	158,020
Fair value hedges	Interest rate	Cross currency interest rate swaps	—	—	1,038,124	—	1,038,124	(2,712)
Total								**155,308**

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 19. Hedge accounting (continued)

			Maturity analysis per Notional					Carrying amount[1]
2024	**Risk**	**Hedging instruments**	**Less than 3 months $'000**	**3 to 12 months $'000**	**1 to 5 years $'000**	**Over 5 years $'000**	**Total $'000**	**Total $'000**
Hedging instruments - assets								
Cash flow hedges	Foreign exchange	Cross currency interest rate swaps	—	—	992,850	—	992,850	115,775
Fair value hedges	Interest rate	Cross currency interest rate swaps	—	—	992,850	—	992,850	(28,727)
Total								**87,048**

[1]The carrying amounts represent balances in the statement of financial position at balance date and includes accrued interest where applicable.

Hedge accounting executed rates

The following table shows the executed rates for the most significant hedging instruments designated in cash flow hedges.

	Hedging instruments	**Currency/ currency pair**	**2025**	**2024**
Cash flow hedges	Cross currency swaps	AUD/EUR	0.68	0.68

Hedge relationships

Cash flow hedges

The cash flow hedge reserve, representing the effective portion of the movements in the hedging instrument, is disclosed in Note 14 Reserves. Changes in this reserve are reported in the Trust's Statement of Other Comprehensive Income.

Fair value hedges

The following table shows the carrying value of hedged items designated in fair value hedge accounting relationships and the cumulative fair value hedge accounting adjustment that has been recognised as part of that carrying value. As noted in the Trust's accounting policies, since the hedged item is adjusted only for the hedged risk, the hedged item's carrying value disclosed in the table will not be equivalent to its fair value as disclosed in other notes to these financial statements.

	2025		2024	
	Carrying amount[1] $'000	**Fair value hedge adjustments $'000**	Carrying amount[1] $'000	Fair value hedge adjustments $'000
Debt issued	**(1,039,804)**	**(1,679)**	(973,775)	19,074

[1]The carrying amounts in the table above exclude accrued interest from the carrying amount of hedged items.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 19. Hedge accounting (continued)

Hedging Ineffectiveness

In the case of a fair value hedge, hedge ineffectiveness is the extent to which the changes in the fair value of the hedging instrument differ to that of the hedged item, and in the case of cash flow hedge relationships, the extent to which the change in the fair value of the hedging instrument exceeds, in absolute term, that of the hedged item. Sources of hedge ineffectiveness primarily arise from basis and timing differences between the hedged items and hedging instruments. Hedge ineffectiveness is reported in Net trading income in the Statement of Profit and Loss.

The following table contains the hedge ineffectiveness associated with cash flow hedge and fair value hedge relationships during the period, as reported in trading income line in the income statement:

	Risk	**Hedging instruments**	**Gains/(losses) on hedging instruments**	**Gains/(losses) on hedged items attributable to the hedged risk**	**Hedge ineffectiveness recognised in the income statement**
2025			**$'000**	**$'000**	**$'000**
Cash flow hedge	Foreign exchange	Cross currency interest rate swaps	45,977	(45,977)	—
Fair value hedge	Interest rate	Cross currency interest rate swaps	20,755	(20,755)	—

	Risk	**Hedging instruments**	**Gains/(losses) on hedging instruments**	**Gains/(losses) on hedged items attributable to the hedged risk**	**Hedge ineffectiveness recognised in the income statement**
2024			$'000	$'000	$'000
Cash flow hedge	Foreign exchange	Cross currency interest rate swaps	14,588	(14,362)	226
Fair value hedge	Interest rate	Cross currency interest rate swaps	13,085	(13,311)	(226)

MBL Covered Bond Trust

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 20. Financial risk management

Risk Management Group (RMG)

Risk is an integral part of the Macquarie Group's businesses. The Trust's risks are managed under the Bank's overall risk management program which seeks to minimise the potential adverse effects of financial markets on the Bank and its subsidiaries.

The Trust has an exposure to market risk, credit risk, and liquidity risk. These risks are monitored and managed at a business unit level through the Group's Risk Management Framework.

RMG is independent of other areas of the Macquarie Group. RMG approval is required for all material risk acceptance decisions. RMG reviews and assesses risks and sets limits. Where appropriate, these limits are approved by the Executive Committee and the Board. The Head of RMG, as Macquarie's CRO, is a member of the Executive Committee of MGL and MBL and reports directly to the CEO with a secondary reporting line to the Board Risk Committee.

Note 20.1 Credit risk

Credit risk is the risk that a counterparty will fail to complete its contractual obligations when they fall due or changes in the creditworthiness of the counterparty. The consequential loss is the amount of the financial obligation not paid back, or the loss incurred in replicating a trading contract with a new counterparty.

Credit risk within the Trust is managed by the RMG at MGL.

Ratings and reviews

Refer to Note 9 Expected credit losses for details in which the Trust has adopted and applied AASB 9's expected credit loss impairment requirements.

The credit risk on the financial assets of the Trust is derived from the credit risk of the underlying securitised mortgages. Those securitised mortgages are segmented and mapped to the credit quality grades based on their PDs and aligned to Macquarie's internal ratings. Mapping retail portfolios to the credit grades has been done for comparability of the overall portfolio presentation and does not reflect the way that the retail portfolio is segmented for management purposes. Management reviews a range of information, including past due status for the portfolio, to assess the credit quality of these assets.

Macquarie's internal ratings broadly correspond to Standard & Poor's credit ratings as follows:

Credit Profile	Internal Rating	Standard & Poor's Equivalent
Investment grade	MQ1 to MQ8	AAA to BBB-
Non-investment grade	MQ9 to MQ16	BB+ to C
Default	MQ99	Default

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 20. Financial risk management

For internals balances, credit rating of each affiliate entity has been mapped to the rating grades assigned internally to these counterparties for the pricing of internal funding arrangements on an arm's length basis. In case the affiliate is not rated, the same has been classified as below investment grade on a conservative basis.

Credit quality of financial assets

The table below discloses as at 31 March 2025, by credit rating grades and ECL impairment stage, the gross carrying amount of assets measured at amortised cost of the Trust subject to the impairment requirements of AASB 9 *Financial instruments*.

The credit quality is based on the counterparty's credit rating using the Bank's credit rating system and excludes the benefit of any collateral and credit enhancements.

As at 31 March 2025	Stage I[2] $'000	Stage II[2] $'000	Stage III[2] $'000	Total $'000
Investment grade				
Cash and cash equivalents	111,418	—	—	111,418
Margin money	97,767	—	—	97,767
Other assets	4,073	—	—	4,073
Financial assets	1,890,975	100,367	—	1,991,342
Undrawn commitments[1]	210,482	3,839	—	214,321
Total investment grade	**2,314,715**	**104,206**	**—**	**2,418,921**
Non-investment grade				
Financial assets	868,125	409,124	—	1,277,249
Undrawn commitments[1]	2,066	473	—	2,539
Total non-investment grade	**870,191**	**409,597**	**—**	**1,279,788**
Default				
Financial assets	—	—	13,510	13,510
Undrawn commitments[1]	—	—	—	—
Total Default	**—**	**—**	**13,510**	**13,510**
Total	**3,184,906**	**513,803**	**13,510**	**3,712,219**
Financial assets by ECL stage				
Cash and cash equivalents	111,418	—	—	111,418
Margin money	97,767	—	—	97,767
Other assets	4,073	—	—	4,073
Financial assets	2,759,100	509,491	13,510	3,282,101
Undrawn commitments[1]	212,548	4,312	—	216,860
Total financial assets by ECL stage[2]	**3,184,906**	**513,803**	**13,510**	**3,712,219**

[1]Relate to undrawn commitments in Note 18. Contingent liabilities and commitments.

[2]For definitions of stage I, II and III, refer to Note 2(viii)(d) Expected credit losses. Whilst exposures may have migrated to stage II it should not be inferred that such exposures are of a lower credit quality. The ECL for the stage III assets includes the benefit of collateral and other credit enhancements.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 20. Financial risk management (continued)

Note 20.1 Credit risk (continued)

Credit quality of financial assets

The table below discloses as at 31 March 2024, by credit rating grades and ECL impairment stage, the gross carrying amount of assets measured at amortised cost of the Trust subject to the impairment requirements of AASB 9. The credit quality is based on the counterparty's credit rating using the Trust's credit rating system and excludes the benefit of any collateral and credit enhancements.

As at 31 March 2024 (Restated)	Stage I[2] $'000	Stage II[2] $'000	Stage III[2] $'000	Total $'000
Investment grade				
Cash and cash equivalents	47,639	—	—	47,639
Margin money	89,576	—	—	89,576
Other assets	4,005	—	—	4,005
Financial assets	712,046	16,920	—	728,966
Undrawn commitments[1]	104,135	770	—	104,905
Total investment grade	**957,401**	**17,690**	**—**	**975,091**
Non-investment grade				
Financial assets	594,440	187,324	—	781,764
Undrawn commitments[1]	3,425	603	—	4,028
Total non-investment grade	**597,865**	**187,927**	**—**	**785,792**
Default				
Financial assets	—	—	2,865	2,865
Undrawn commitments[1]	—	—	—	—
Total Default	**—**	**—**	**2,865**	**2,865**
Total	**1,555,266**	**205,617**	**2,865**	**1,763,748**
Financial assets by ECL stage				
Cash and cash equivalents	47,639	—	—	47,639
Margin money	89,576	—	—	89,576
Other assets	4,005	—	—	4,005
Financial assets	1,306,486	204,244	2,865	1,513,595
Undrawn commitments[1]	107,560	1,373	—	108,933
Total financial assets by ECL stage[2]	**1,555,266**	**205,617**	**2,865**	**1,763,748**

[1]Relate to undrawn commitments in Note 18. Contingent liabilities and commitments.

[2]For definitions of stage I, II and III, refer to Note 2(viii)(d) Expected credit losses. Whilst exposures may have migrated to stage II it should not be inferred that such exposures are of a lower credit quality. The ECL for the stage III assets includes the benefit of collateral and other credit enhancements.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 20. Financial risk management (continued)

Note 20.1 Credit risk (continued)

Credit risk concentration

The table below details the concentration of credit risk by significant geographical locations and counterparty type of the Trust's financial assets, derived from the concentration of credit risk of the underlying securitised mortgages, measured at amortised cost subject to impairment requirements of AASB 9. The geographical location is determined by the country of risk or country of domicile and counterparty type is based on APRA classification.

	Cash and cash equivalents	Margin money	Financial assets	Other assets	Derivative assets[1]	Undrawn commitments[2]	Total
As at 31 March 2025	**$'000**	**$'000**	**$'000**	**$'000**		**$'000**	**$'000**
Australia							
Financial institutions	111,418	97,767	—	4,073	195,098	—	408,356
Other	—	—	3,282,101	—	—	216,860	3,498,961
Total Australia	**111,418**	**97,767**	**3,282,101**	**4,073**	**195,098**	**216,860**	**3,907,317**
Total gross credit risk	**111,418**	**97,767**	**3,282,101**	**4,073**	**195,098**	**216,860**	**3,907,317**
As at 31 March 2024 (Restated)							
Australia							
Financial institutions	47,639	89,576	—	4,005	87,048	—	228,268
Other	—	—	1,513,595	—	—	108,933	1,622,528
Total Australia	**47,639**	**89,576**	**1,513,595**	**4,005**	**87,048**	**108,933**	**1,850,796**
Total gross credit risk	**47,639**	**89,576**	**1,513,595**	**4,005**	**87,048**	**108,933**	**1,850,796**

[1]Derivative assets are not subject to AASB 9 Impairment requirements.
[2]Relate to undrawn commitments in Note 18. Contingent liabilities and commitments.

Maximum exposure to credit risk

For on-balance sheet instruments, the maximum exposure to credit risk is the carrying amount reported on the balance sheet. For off-balance sheet instruments, the maximum exposure to credit risk is a function of the contractual notional amount.

Collateral and credit enhancements held

Financial assets

The Trust's financial assets represent a receivable from MBL of the cash flows of the underlying securitised mortgages. Mortgages are secured by fixed charges over the borrower's property. The Bank has purchased risk protection from a diversified panel of rated counterparties via an excess of loss and quota share structure.

The following table provides information on the loan to collateral value ratio as determined using the carrying values and the most recent valuation of the home loan collateral:

	2025	**2024**
	$'000	**$'000**
<=25%	**191,591**	60,856
>25% to 50%	**1,225,796**	473,502
>50% to 70%	**1,303,884**	688,166
>70% to 80%	**533,797**	256,230
>80% to 90%	**26,517**	29,143
>90% to 100%	**899**	5,502
Partly collateralised	**—**	—
Total	**3,282,484**	1,513,399

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 20. Financial risk management (continued)

Derivative instruments

Derivatives may be privately negotiated contracts, which are referred to as Over-the-Counter (OTC) derivatives and are cleared and settled through swap counterparties. The Trust receives both cash and non-cash collateral in relation to margining arrangements. Refer to Note 10. Margin liability for margin money held against the positions as at balance date.

20.2 Liquidity risk

Liquidity risk is the risk of an entity encountering difficulty in meeting obligations with financial liabilities.

Contractual undiscounted cash flows

The following table summarises the maturity profile of the Trust's financial liabilities (debt issued) as at 31 March based on contractual undiscounted repayment basis and hence would vary from the carrying value at the reporting date shown in the statement of financial position. Repayments subject to notice are treated as if notice were given immediately.

2025	0 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	More than 5 years $'000	Total $'000
Debt issued[1]	243,791	645,893	1,981,507	1,341,458	4,212,649
Margin liability[2]	97,757	—	—	—	97,757
Other liabilities	926	—	—	—	926
Total	**342,474**	**645,893**	**1,981,507**	**1,341,458**	**4,311,332**
Undrawn commitments[3]	**216,860**	**—**	**—**	**—**	**216,860**

[1]The maturity of debt is dependent on the repayments of the underlying mortgage assets.
[2]Margin money received under derivative arrangement (disclosed in Note 5. Margin money).
[3]Cash flows on contingent liabilities and commitments are dependent on the occurrence of various future events and conditions and may or may not result in an outflow of resources. Undrawn commitments are included in 0 to 3 months maturity band to reflect their earliest possible maturity.

2024 (Restated)	0 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	More than 5 years $'000	Total $'000
Debt issued[1]	51,391	146,607	1,336,510	505,253	2,039,761
Margin liability[2]	89,576	—	—	—	89,576
Other liabilities[3]	11,880	—	—	—	11,880
Total	**152,847**	**146,607**	**1,336,510**	**505,253**	**2,141,217**
Undrawn commitments[4]	**108,933**	**—**	**—**	**—**	**108,933**

[1]The maturity of debt is dependent on the repayments of the underlying mortgage assets.
[2]Margin money received under derivative arrangement (disclosed in Note 5. Margin money). Comparative information has been restated to conform to presentation in the current period.
[3]Excludes non-financial liabilities of $29,000 which are included in Note 11. Other liabilities
[4]Cash flows on contingent liabilities and commitments are dependent on the occurrence of various future events and conditions and may or may not result in an outflow of resources.Undrawn commitments are included in 0 to 3 months maturity band to reflect their earliest possible maturity.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 20. Financial risk management (continued)

Note 20.3 Market Risk

Non Traded Market Risk

The Trust has exposure to non-traded market risks arising from transactions entered into during its normal course of business. These risks include:

– **interest rates:** changes in the level, shape and volatility of yield curves, and/or client behaviour given these changes.
– **foreign exchange:** changes in the spot exchange rates.

Interest rate risk

Interest rate risk relates to changes in the level, shape and volatility of yield curves, and/or client behaviour given these changes.

The Trust is exposed to interest rate risk on its cash and cash equivalents and financial assets. The sensitivity of operating profit has been calculated on these balances. The scenario sensitivity analysis is developed based on Macquarie Group's internal macroeconomic assumptions, which could change each year.

The table below indicates the Trust's exposure to movements in interest rates as at 31 March.

	2025	**2025**	2024	2024
	Movement in basis points	**Sensitivity of profit after tax**	Movement in basis points	Sensitivity of profit after tax
		$'000		$'000
AUD interest rate	+50	**17,456**	+25	4,127
Total[1]		**17,456**		4,127
AUD interest rate	-50	**(17,456)**	-125	(20,635)
Total[1]		**(17,456)**		(20,635)

[1]Sensitivity of profit after tax has been calculated on the balances receivable from financial institutions.

Foreign currency risk

Trust has entered into cross currency swaps to hedge its exposure on borrowings in foreign currency, resulting in effective hedging and hence has mitigated any foreign currency risk. The Trust has economically hedged its EUR 1,100,000,000 fixed rate liability via cross currency swaps. This represents a full economic hedge of EUR to AUD foreign exchange risk (cash flow hedge). The 1:1 hedge ratio is consistent with the Trust's limited appetite for foreign exchange rate risks and the Trust's risk management objectives of reducing the risk of volatility in earnings.

Note 21. Fair value of financial assets and financial liabilities

Fair value reflects the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values calculated for financial instruments which are carried on the Statement of Financial Position at amortised cost are for disclosure purposes only. The methods and assumptions applied to derive these fair values, as described earlier, can require significant judgement by management and therefore may not necessarily be compared to other financial institutions.

Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial instrument is not active, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing on the measurement date.

The values derived from applying these techniques are affected by the choice of valuation model used and the underlying assumptions made regarding inputs such as timing and amounts of future cash flows, discount rates, credit risk, volatility and correlation.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 21. Fair value of financial assets and financial liabilities (continued)

Financial instruments measured at fair value are categorised in their entirety, in accordance with the levels of the fair value hierarchy as outlined below:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The appropriate fair value hierarchy level for an instrument is determined on the basis of the lowest level input that is significant to the fair value measurement.

AASB 13 *Fair Value Measurement* requires the use of the price within the bid-offer spread that is most representative of fair value. Valuation systems will typically generate mid-market prices. The bid-offer adjustment reflects the extent to which bid-offer costs would be incurred if substantially all of the residual net exposure to market risks were closed on a portfolio basis using available hedging instrument.

The following methods and significant assumptions have been applied in determining the fair values of the following items carried at amortised cost in the Statement of financial position.

Asset or liability	Valuation techniques, inputs and other significant assumptions
Cash and cash equivalents	The fair value of cash and cash equivalents approximates their carrying amounts as these are highly liquid and short-term in nature.
Financial assets	The fair value of financial assets is based on discounted cash flows of the underlying securitised assets and basis swaps, with the key assumptions being the discount rate and conditional prepayment rate
Margin money	The fair value of margin money approximate their carrying amounts
Debt issued	The fair value of issued debt is based on quoted prices in active markets where available. Where quoted prices are not available the fair value is based on discounted cash flows using rates appropriate to the term

The following methods and significant assumptions have been applied in determining the fair values of the following items carried at fair value in the Statement of financial position.

Asset or liability	Valuation techniques, inputs and other significant assumptions
Derivative assets	Derivative assets are measured at fair value by reference to quoted prices in active markets where available (for example, listed securities). If quoted prices in active markets are not available, then fair values are estimated on the basis of other recognised valuation techniques that maximise the use of quoted prices and observable market inputs.

Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. The output of a valuation technique is always an estimate of a fair value that cannot be measured with complete certainty. All models are reviewed before they are used. Models are calibrated periodically to test the outputs and reflect the prices from observable current market transactions in same instrument or other available observable market data.

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 21. Fair value of financial assets and financial liabilities (continued)

(a) Assets and liabilities measured at amortised cost

The fair values calculated for financial instruments which are carried on the statement of financial position at amortised cost are for disclosure purposes only. The methods and assumptions applied to derive these fair values, as described earlier, can require significant judgement by management and therefore may not necessarily be compared to other financial institutions.

The table below summarises the carrying value and fair value of assets and liabilities held at amortised cost, except where the carrying value is approximately equal to the fair value. Fair values are calculated for disclosure purpose only.

	2025 Carrying amount $'000	2025 Fair value $'000	2024 Carrying amount $'000	2024 Fair value $'000
Assets				
Financial assets	3,279,761	3,224,016	1,512,532	1,457,731
Total assets	**3,279,761**	**3,224,016**	**1,512,532**	**1,457,731**
Liabilities				
Debt issued	3,623,056	3,609,042	1,671,227	1,652,152
Total liabilities	**3,623,056**	**3,609,042**	**1,671,227**	**1,652,152**

The following table summarises the levels of the fair value hierarchy for assets and liabilities that are held at amortised cost, except where the carrying value is approximately equal to the fair value.

2025	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Financial assets	—	—	3,224,016	3,224,016
Total assets	**—**	**—**	**3,224,016**	**3,224,016**
Liabilities				
Debt issued	—	3,609,042	—	3,609,042
Total liabilities	**—**	**3,609,042**	**—**	**3,609,042**

2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Financial assets	—	—	1,457,731	1,457,731
Total assets	**—**	**—**	**1,457,731**	**1,457,731**
Liabilities				
Debt issued	—	1,652,152	—	1,652,152
Total liabilities	**—**	**1,652,152**	**—**	**1,652,152**

Notes to the financial statements
For the financial year ended 31 March 2025 (continued)

Note 21. Fair value of financial assets and financial liabilities (continued)

(b) Assets and liabilities measured at fair value on recurring basis
The following table summarises the levels of the fair value hierarchy for assets and liabilities that are recognised and measured at fair value in the financial statement:

2025	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Derivative assets	—	195,098	—	195,098
Total	**—**	**195,098**	**—**	**195,098**

2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Derivative assets	—	87,048	—	87,048
Total	**—**	**87,048**	**—**	**87,048**

Note 22. Audit and other services provided by Pricewaterhouse Coopers

The cost of auditor's remuneration for auditing services for the current financial year is $55,000 (2024: $52,819).The auditor received no other benefits.

Note 23. Events after the reporting date

The Manager is not aware of any matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial years.

Manager's Declaration

In the opinion of the Directors of the Trust Manager:

(a) the financial statements and notes set out on pages 4 to 38 are in accordance with the Establishment Deed dated 5 June 2015, as amended, including:

(i) complying with the Australian Accounting Standards and regulations; and

(ii) giving a true and fair view of MBL Covered Bond Trust's financial position as at 31 March 2025 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that MBL Covered Bond Trust will be able to pay its debts as and when they become due and payable; and

(c) the Financial Report also complies with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

Director

Signed by:

Caroline Fox

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Sydney

25 June 2025

Independent auditor's report

To the unitholders of MBL Covered Bond Trust

Our opinion

In our opinion the accompanying financial report gives a true and fair view of the financial position of MBL Covered Bond Trust (the Trust) as at 31 March 2025 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 March 2025
- the statement of other comprehensive income for the year then ended
- the statement of profit and loss for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the Manager's declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence*

Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 2 in the financial report, which describes the basis of accounting. The financial report has been prepared to assist the directors of the Trust Manager in complying with the financial reporting requirements of the Establishment Deed dated 5 June 2015, as amended. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for MBL Covered Bond Trust and its unitholders and should not be used by parties other than MBL Covered Bond Trust and its unitholders. Our opinion is not modified in respect of this matter.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 March 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial report

The Manager is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Manager is responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Joe Sheeran
Partner

Sydney
25 June 2025