01

About

Cleco Corporation, United States

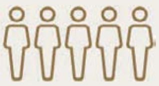
Macquarie Asset Management is working with American utility company Cleco to strengthen its electricity transmission infrastructure, helping protect residents of Central Louisiana from power outages and meet the region's growing power needs.

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

Macquarie now employs 19,735[1] people globally across 31 markets.

EMEA ~15%

Americas ~15%



Asia ~21%

ANZ ~49%

[1] This figure includes staff employed in certain operationally segregated subsidiaries (OSS). Unless otherwise stated, further references to staff data and policies do not include those in OSS.

About Macquarie

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 19,735[1] people globally, has total assets of $A445.2 billion and total equity of $A35.8 billion as at 31 March 2025.

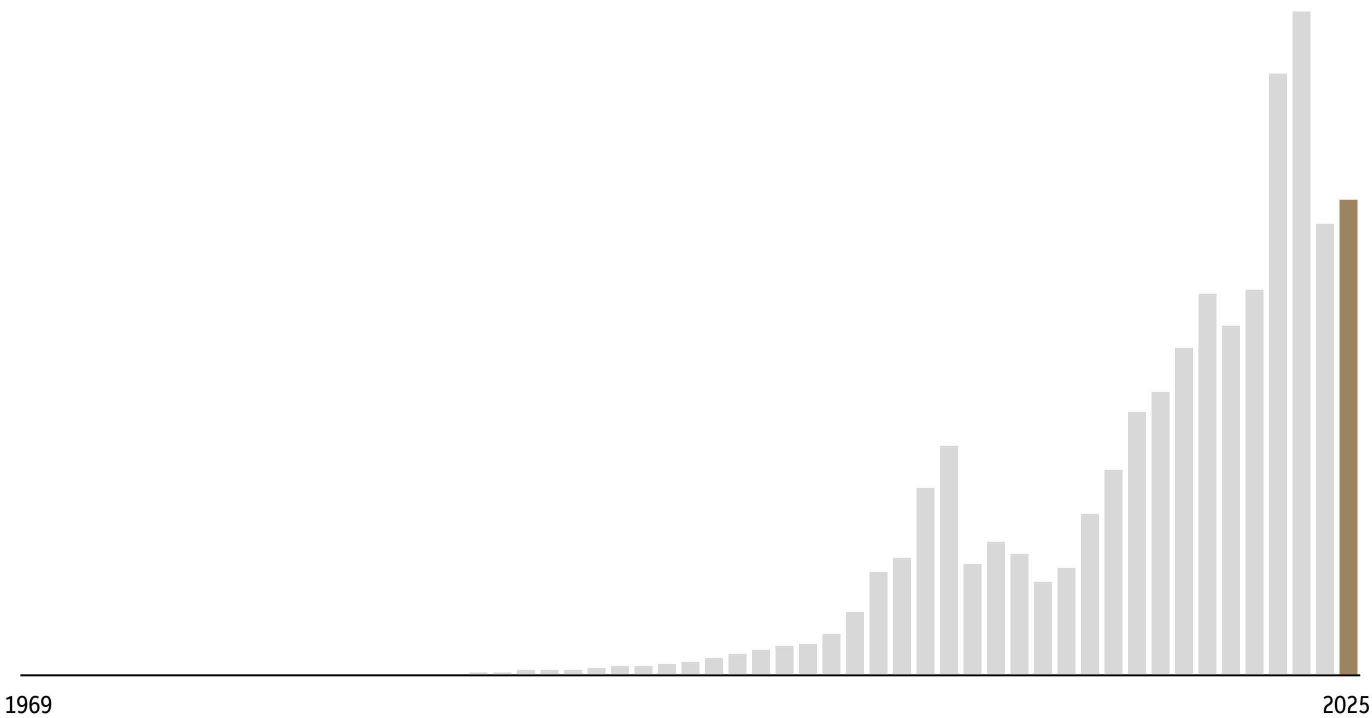
Macquarie's breadth of expertise covers asset management, retail and business banking, wealth management, as well as advisory, risk and capital solutions across debt, equity, financial markets and commodities. The diversity of our operations, combined with a strong capital position and robust risk management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

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

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

$A3,715m

FY2025 profit



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

Letter from the Chair

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

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

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

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

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

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

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

Risk management

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

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

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

Board of Directors

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

Capital and Dividends

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

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

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

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

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

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

Glenn Stevens AC
Independent Director and Chair

Sydney
9 May 2025

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

Letter from the

Managing Director and CEO

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

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

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

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

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

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

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

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

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

A global business with regional expertise

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

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

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

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

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

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

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

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

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

Teams that reflect the diversity of our communities

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

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

External outlook

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

The past few months have seen considerable volatility in global equity markets in the face of investor uncertainty over potential disruption to the established global trade order. Though it will take time for the effect on the global economy to become clear, Macquarie's diverse mix of businesses, regional activity, and income streams enables us to deliver in a range of market conditions.

Our four operating groups possess deep expertise and a focus on major markets benefitting from long-term growth drivers. They are supported by our culture and disciplined approach to risk management, strong and conservatively managed balance sheet, and flexible approach to capital allocation that maximises growth opportunities and returns for shareholders.

S. Wikramanayake

Shemara Wikramanayake
Managing Director and Chief Executive Officer

Sydney
9 May 2025

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

Empowering people to innovate and invest for a better future

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

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

Building a digital bank for the future

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

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

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

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

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

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

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

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

Learn more at **macquarie.com/bank**

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

Helping strengthen public service delivery

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

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

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

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

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

Learn more at **macquarie.com/insights**

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

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

Financing climate solutions

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

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

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

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

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

Learn more at **macquarie.com/climate**

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

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

Investing in the digital ecosystems of the future

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

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

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

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

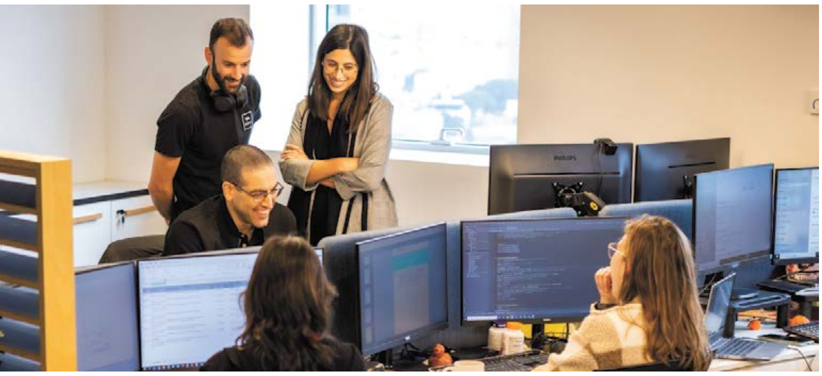
CGM supported Applied Digital with senior secured debt financing during the year, to progress its purpose-built High-Performance Computing data centre in North Dakota in the US, as well as future facilities to support the movement of data to the cloud and advancement of AI. This was followed by investment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

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

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

Learn more at **macquarie.com/infrastructure**

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



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

Supporting the high-growth companies of the future

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

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

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

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

Learn more at **macquarie.com/technology**

Forty years of the Macquarie Group Foundation

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

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

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

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

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

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

Learn more at **macquarie.com/community**

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

Financial highlights

FY2025 net profit[5]

$A3,715m

↑ 5% on the prior year

FY2025 net operating income

$A17,208m

↑ 2% on the prior year

FY2025 operating expenses

$A12,140m

broadly in line with the prior year

FY2025 earnings per share

$A9.79

↑ 7% on the prior year

FY2025 return on equity

11.2%

↑ from 10.8% in the prior year

FY2025 return on tangible equity

12.7%

↑ from 12.4% in the prior year

FY2025 dividends per share

$A6.50

(35% franked)

↑ 2% on the prior year

FY2025 effective tax rate

26.3%

↓ from 26.8% in the prior year

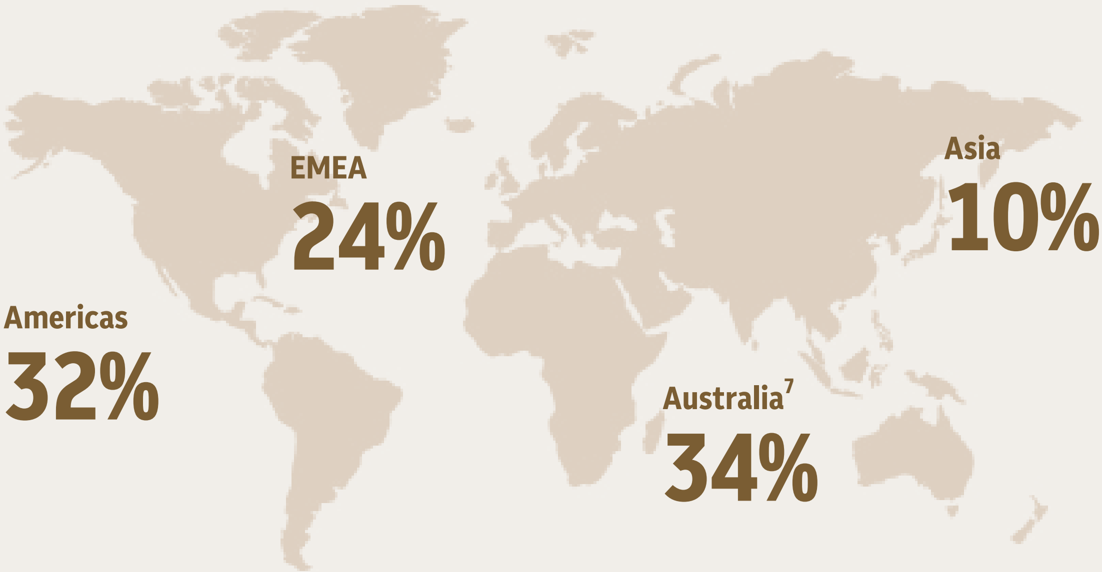
Assets under Management

$A941.0b

broadly in line with the prior year

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

FY2025 international income[6]



Diversity of income[8]

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

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

Further information is also available at
macquarie.com/company

For more details on the operational performance of the Operating Groups, see slides 11 to 14 of the presentation to investors and analysts available at
macquarie.com/fy25-investor-presentation

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

Central Service Groups

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

Risk Management Group (RMG)

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

Financial Management, People and Engagement (FPE)

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

Legal and Governance Group (LGG)

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

Corporate Operations Group (COG)

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

Macquarie Asset Management

$A1,610m

↑ 33% on prior year

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

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

FY2025 Highlights

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

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

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

Medium-term

MAM is well-positioned to respond to current market conditions and build on our leading global position in private markets and our leading position in Australian public markets, as we focus on providing solutions for our institutional, insurance and wealth clients.

Banking and Financial Services

$A1,380m

↑ 11% on prior year

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

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

FY2025 Highlights

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

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

Medium-term

BFS remains focused on growth opportunities through intermediary and direct retail client distribution, platforms and client service; opportunities to increase financial services engagement with existing Business Banking clients and extend into adjacent segments; and modernising technology to improve client experience and support scalable growth.

Commodities and Global Markets

$A2,829m

↓ 12% on prior year

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

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

FY2025 Highlights

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

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

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

Medium-term

CGM remains focused on: opportunities to grow the commodities business, both organically and through adjacencies; the development of institutional and corporate coverage for specialised credit, rates and foreign exchange products; providing tailored financing solutions globally across a variety of industries and asset classes; continued investment in the asset finance portfolio; supporting the client franchise as markets evolve, particularly as it relates to the energy transition and growing the client base across all regions.

Macquarie Capital

$A1,043m

broadly in line with prior year

Macquarie Capital has global capability in advisory and capital raising services, providing clients with specialist expertise and flexible capital solutions across a range of sectors.

It also has global capability in specialist investing across private credit, private equity, real estate, growth equity, venture capital, and in infrastructure and energy projects and companies.

Macquarie Capital's Equities brokerage business provides clients with access to equity research, sales, execution capabilities and corporate access with a focus on Asia-Pacific.

FY2025 Highlights

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

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

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

Medium-term

Macquarie Capital continues to support clients globally across long-term trends including tech-enabled innovation, the need for infrastructure and resilience and the growth in private capital. It pursues opportunities for balance sheet investment alongside clients and management teams and infrastructure project development. It continues to tailor the business offering to current opportunities and market conditions including providing flexible capital solutions across advisory, capital markets, principal investing, development and equities. Macquarie Capital is well-positioned to respond to changes in market conditions.

For more details on the financial performance of the Operating Groups, see section 3.0 Segment analysis of the Management Discussion and Analysis available at **macquarie.com/results**

Our business strategy

The growth of Macquarie's global operations over 56 years reflects our philosophy to expand selectively, focusing on specialist areas where we bring deep expertise to address areas of unmet need on behalf of clients and communities in line with our purpose and longstanding operating principles. We offer our teams significant operating freedom balanced by limits on risk. Alignment of interests is a longstanding feature, demonstrated by willingness to both invest alongside clients and closely align the interests of shareholders and staff.

This approach has helped us to grow into a diversified global business, conducting a broad range of activities and creating enduring franchises where we have differentiated perspectives. Our approach has not been to place big bets, but to expand adjacently, taking learnings from one market to another, or using expertise built in one part of a sector to grow into another.

This philosophy is reflected in our flexible approach to allocating capital. We rely on our teams who are close to their markets and clients to drive ideas, setting out the opportunity they have identified and the associated risks, and how they plan to manage them, with the teams in the business remaining accountable for the long-term outcomes they deliver. Teams at the centre of the organisation assess the business case being made, including second line review of risks, before allocating capital with a view to maintaining diversification across our activities while seeking an acceptable risk adjusted return for each project, based on its specific characteristics.

Our Purpose

Why we exist

Empowering people to innovate and invest for a better future

Our Principles

How we do business

Opportunity | Accountability | Integrity

Our Strategy

is developed from the bottom up

MAM	**BFS**	**CGM**	**Macquarie Capital**
Macquarie Asset Management	Banking and Financial Services	Commodities and Global Markets	

Our core business involves utilising our

human capital

to realise opportunities, backed by a strong balance sheet

Evolution driven by:

- Building enduring franchises from positions of deep expertise and pursuing adjacent growth opportunities
- Managing diversified businesses across regions and service offerings to deliver consistent returns through cycles
- Addressing unmet client and community needs, focusing on areas aligned to structural trends where there is growth
- Ensuring accountability and entrepreneurial endeavour from staff
- Continuously enhancing our operating platform
- Adopting a disciplined approach to risk management, underpinned by a sound risk culture and embedded across the organisation
- Maintaining a strong and conservative balance sheet with diversified sources of funding.

Supported from the

centre

COG	**FPE**	**RMG**	**LGG**
Corporate Operations Group	Financial Management, People and Engagement	Risk Management Group	Legal and Governance Group

Our purpose and principles and what we expect of our staff are set out in our *Code of Conduct*.
macquarie.com/what-we-stand-for

Risk management

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

Risk culture

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

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

Risk management framework

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

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

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

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

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

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

More details on the management of these material risks are available at **macquarie.com/risk-management**

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

Macroeconomic factors

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

Market conditions

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

The value of the Australian dollar

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

Potential regulatory changes

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

Funding and liquidity

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

Technology

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

Review of Group performance and financial position

Overview

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

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

For more details on the financial performance of the Operating Groups, see section 3.0 Segment Analysis of the Management Discussion and Analysis available at **macquarie.com/fy25-mda**

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

FY2025 net profit contribution[10]

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

Non-Banking Activities

Macquarie Asset Management (MAM)

$A1,610m

↑ 33% on prior year due to

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

Partially offset by:

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

Macquarie Capital

$A1,043m

broadly in line with the prior year due to

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

Partially offset by:

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

Banking Activities

Banking and Financial Services (BFS)

$A1,380m

↑ 11% on prior year due to

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

Partially offset by:

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

Commodities and Global Markets (CGM)[11]

$A2,829m

↓ 12% on prior year due to

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

Partially offset by:

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

Corporate

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

↓ 1% on prior year due to

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

Partially offset by:

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

For more details on the financial performance of the Operating Groups, see section 3.0 Segment analysis of the Management Discussion and Analysis available at **macquarie.com/results**

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

[11] Certain assets of the Financial Markets business, certain activities of the Commodity Markets and Finance business and some other less financially significant activities are undertaken from within the Non-Banking Group.

Net operating income

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

Net interest and trading income

FULL YEAR TO	
31 Mar 25 $Am	31 Mar 24 $Am
8,877	8,907

broadly in line with prior year

Largely driven by:

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

Partially offset by:

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

Fee and commission income

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

↑ 9% on prior year

Largely driven by:

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

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

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

↑ substantially on prior year

Largely driven by:

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

Credit and other impairment (charges)/reversals

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

↑ substantially on prior year

Largely driven by:

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

Net other operating income

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

↑ 23% on prior year

Largely driven by:

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

Partially offset by:

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

Operating expenses

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

Employment expenses

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

broadly in line with prior year

Largely driven by:

- lower salary and related expenses from lower average headcount.

Partially offset by:

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

Brokerage, commission and trading-related expenses

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

↑ 13% on prior year

Largely driven by:

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

Non-salary technology expenses

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

↑ 3% on prior year

Largely driven by:

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

Partially offset by:

- lower project-based consultancy spend.

Other operating expenses

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

broadly in line with prior year

Largely driven by:

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

Partially offset by:

- higher occupancy expenses.

Income tax expense

Income tax expense of $A1,326 million for the year ended 31 March 2025 increased 3% from $A1,291 million in the prior year. The effective tax rate[12] for the year ended 31 March 2025 was 26.3%, down from 26.8% in the prior year.

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

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

Statement of Financial Position

Total assets

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

↑ 10% on 31 Mar 24

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

The principal drivers for the increase were as follows:

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

These increases were partially offset by:

- cash and bank balances of $A26.4 billion as at 31 March 2025 decreased 17% from $A31.9 billion as at 31 March 2024, driven by a reduction in the overnight deposit held with the Reserve Bank of Australia (RBA) as part of Group Treasury's liquid asset portfolio management
- financial investments of $A21.5 billion as at 31 March 2025 decreased 12% from $A24.4 billion as at 31 March 2024, driven by an increase in holdings of debt securities as part of Group Treasury's liquid asset portfolio management
- intangible assets of $A1.7 billion as at 31 March 2025 decreased 61% from $A4.3 billion as at 31 March 2024, driven by disposals and reclassification of businesses as held for sale, in MAM.

Total liabilities

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

↑ 11% on 31 Mar 24

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

The principal drivers for the increase were as follows:

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

These increases were partially offset by:

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

Total equity

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

↑ 5% on 31 Mar 24

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

Funding

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

Macquarie has a funding base that is stable with short-term wholesale funding covered by cash, liquids and other short-term assets. As at 31 March 2025, Macquarie's term assets were covered by term funding maturing beyond one year, stable deposits, hybrids and subordinated debt and equity.

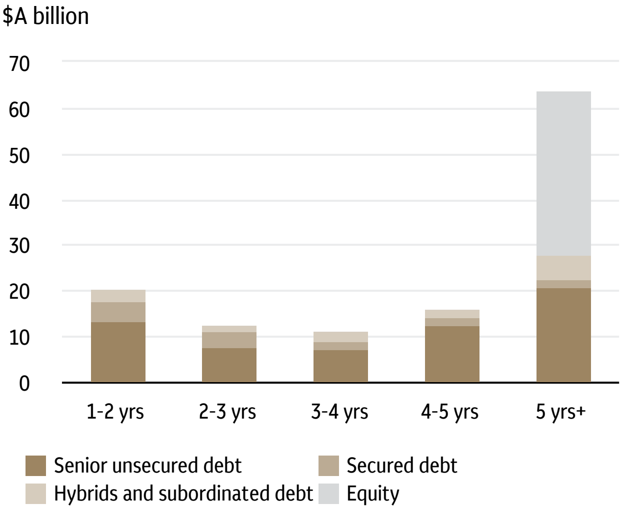
The weighted average term to maturity of term funding >1 year (excluding deposits, equity and securitisations) was 4.5 years as at 31 March 2025.

4.5 years

Weighted average maturity

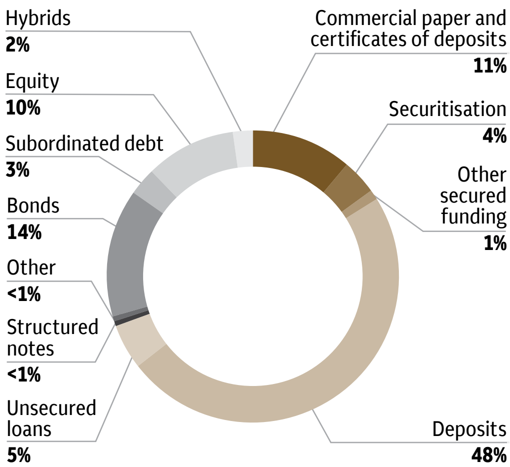
Term funding profile

Detail of drawn funding maturing beyond one year



Diversity of funding sources

Details of drawn funding sources maturing across all tenors



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

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

		Bank Group $Ab	Non-Bank Group $Ab	**Total $Ab**
Issued paper	– Senior unsecured	5.3	0.4	**5.7**
Secured funding	– Term securitisation, covered bond and other secured finance	3.9	3.9	**7.8**
Loan facilities	– Unsecured loan facilities	4.6	11.1	**15.7**
Loan capital	– Hybrid instruments and subordinated debt	1.3	1.5	**2.8**
Total[13]		**15.1**	**16.9**	**32.0**

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

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

Capital

$A9.5b

Group capital surplus

As an Australian Prudential Regulation Authority (APRA) authorised and regulated Non-Operating Holding Company (NOHC), Macquarie's capital adequacy framework requires it to maintain minimum regulatory capital requirements calculated as the sum of:

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

Transactions internal to Macquarie are eliminated.

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

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

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

For further information relating to the capital adequacy of Macquarie, refer to section 6.0 Capital of the Management Discussion and Analysis at **macquarie.com/results** and to the Macquarie Bank Pillar 3 document available at **macquarie.com/investors/regulatory-disclosures**.

Outlook

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

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

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

[14] The CCyB of the Bank Group at 31 March 25 is 0.74%, this is rounded to 0.75% for presentation purposes. The individual CCyB varies by jurisdiction and the Bank Group CCyB is calculated as a weighted average based on exposures in different jurisdictions at period end.

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