MACQUARIE BANK

# 2027 Interim Financial Report

**Macquarie Bank**
Half year ended 30 September 2026



**Macquarie Bank offers retail and business banking and wealth management through a market-leading digital platform, as well as risk and capital solutions with a particular focus on financial markets, asset finance and commodities.**

Macquarie Bank Limited is a subsidiary of Macquarie Group Limited ABN 94 122 169 279 and is regulated by the Australian Prudential Regulation Authority (APRA) as an authorised deposit-taking institution (ADI). Macquarie Group Limited is regulated by APRA as a Non-Operating Holding Company of an ADI.



## Cover image

**Macquarie Digital Term Deposit, Australia**

Macquarie Bank took a customer-centric approach when designing its new Macquarie Digital Term Deposit offering, with customers enjoying transparent pricing, no fees, and a simpler approach to early withdrawals.

## Inside cover image

**Macquarie Aurora, Australia**

Macquarie Aurora provides Commodities and Global Markets clients with access to a broad range of currencies and commodity products through a single, integrated digital portal, supporting effective price risk management in an increasingly volatile market environment.

**Macquarie Bank Limited**
**ABN 46 008 583 542**

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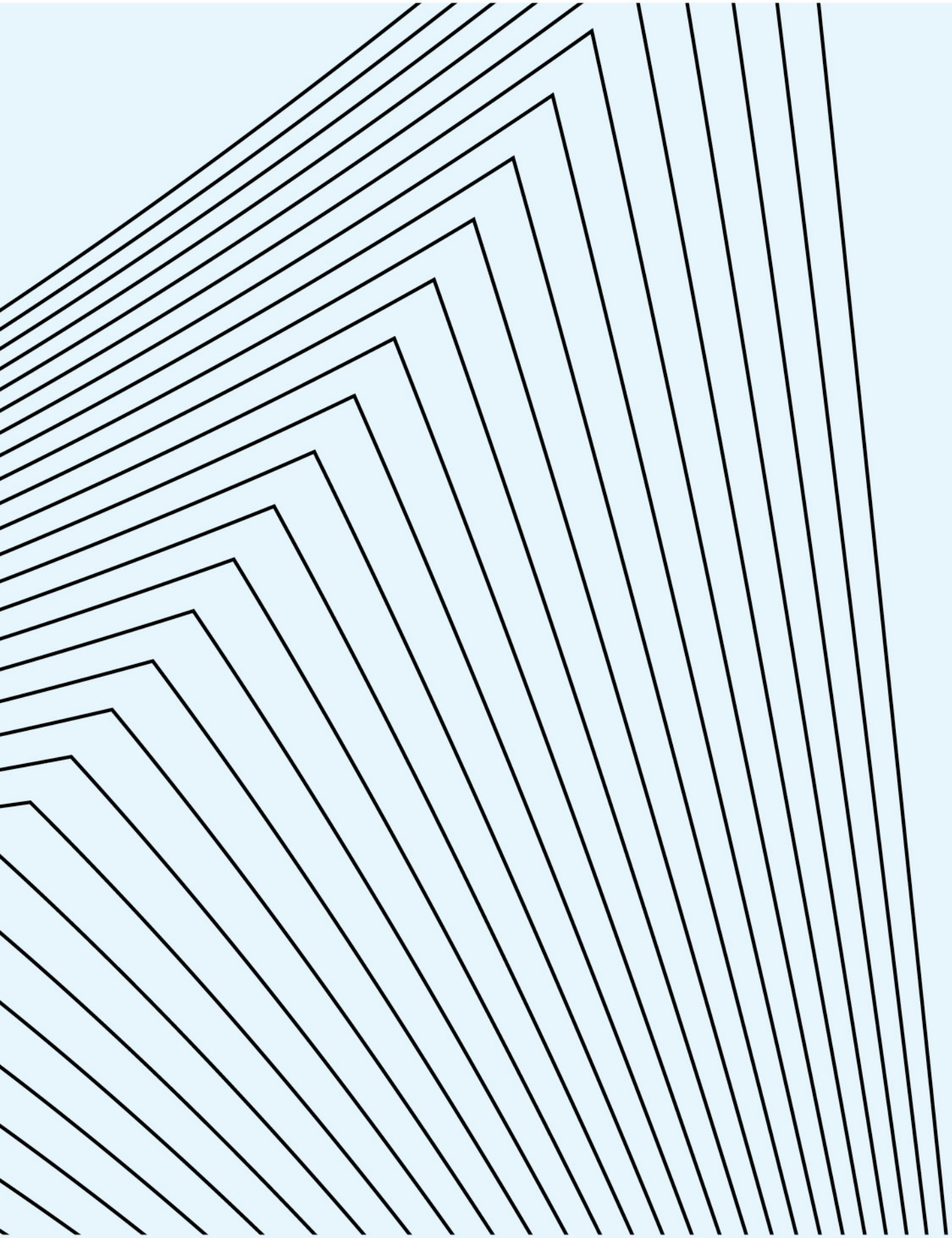
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# 01

# Directors' Report





# Directors' Report

For the half year ended 30 September 2026

The Directors of Macquarie Bank Limited (MBL) submit their report with the financial report of the Consolidated Entity for the half year ended 30 September 2026.

## Directors

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

### Independent Directors

G.R. Stevens AC, Chair

J.R. Broadbent AC

W.S. Byres

P.M. Coffey

M.A. Hinchliffe

S.J. Lloyd-Hurwitz AM

R.J. McGrath AM

M. Roche

I.M. Saines

D.J.K. Whiteing

### Executive Voting Directors

S.D. Green, Managing Director and Chief Executive Officer (CEO)

S.R. Wikramanayake

The Directors listed above each held office as a Director of MBL throughout the period and until the date of this report. Those Directors listed as Independent Directors have been independent throughout the period of their appointment.

On 23 July 2026, Macquarie Group Limited (MGL) announced that Ms Wikramanayake will retire and step down from the Boards of MBL and MGL effective 6 November 2026, with Mr Greg Ward to replace her as an Executive Voting Director of MBL and MGL and as Managing Director and Chief Executive Officer of MGL effective 7 November 2026. Ms Broadbent intends to step down from the MBL and MGL Boards as an Independent Director in December 2026.

## Result

The financial report for the half year ended 30 September 2026 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth).

The consolidated profit after income tax attributable to the ordinary equity holder for the half year ended 30 September 2026 was $A1,420 million (half year to 31 March 2026: $A2,342 million; half year to 30 September 2025: $A3,669 million).

# Operating and financial review

For the half year ended 30 September 2026

## Review of performance and financial position

### Overview

The Consolidated Entity's profit attributable to ordinary equity holders of $A1,420 million for the half year ended 30 September 2026 decreased 61% from $A3,669 million in the prior corresponding period[1,2] and decreased 39% from $A2,342 million in the prior period.[3]

| | HALF YEAR TO | | | MOVEMENT | |
|---|---|---|---|---|---|
| | **Sep 2026** | Mar 2026 | Sep 2025 | *Mar 2026* | *Sep 2025* |
| | **$Am** | $Am | $Am | *%* | *%* |
| Net operating income | **6,055** | 7,170 | 7,925 | *(16)* | *(24)* |
| Total operating expenses | **(4,047)** | (4,256) | (3,738) | *(5)* | *8* |
| Operating profit before income tax | **2,008** | 2,914 | 4,187 | *(31)* | *(52)* |
| Profit attributable to the ordinary equity holder | **1,420** | 2,342 | 3,669 | *(39)* | *(61)* |

[1] Prior corresponding period (pcp) refers to the six months ended 30 September 2025.
[2] Prior corresponding period included a non-recurring gain of $A2,448m on transfer of CGM's North American Power, Gas and Emissions business to the Non-Bank Group.
[3] Prior period refers to the six months ended 31 March 2026.

## Net profit contribution[1] by Operating Group

Summary of the Operating Groups' performance for the half year ended 30 September 2026.

### Banking and Financial Services (BFS)

# $A841m

↑ 6% on pcp due to

- higher net interest income mainly driven by growth in the average loan and deposit portfolios, partially offset by lower margins reflecting changes in portfolio mix and ongoing lending and deposit competition.

Partially offset by:

- higher credit provisions driven by changes in the Australian macroeconomic outlook, partially offset by the sale of the car loans portfolio
- higher expenses driven by higher average headcount and higher technology expenses to support business growth.

### Commodities and Global Markets (CGM)

# $A1,624m

↑ 51% on pcp due to

- higher net interest and trading income across Equities, Asset Finance and Foreign exchange, interest rates and credit
- higher net investment income driven by material gains on sale of assets in Asset Finance.

Partially offset by:

- lower net operating lease income primarily driven by the divestment of the OnStream meters platform in the prior period
- higher net credit impairment charges mainly driven by specific impairments for a small number of counterparties.

### Corporate

Net expenses of **$A1,045m**

↓ substantially on pcp due to

- lower net investment income driven by the non-recurrence of the gain on the transfer of CGM's North American Power, Gas and Emissions business to the Non-Bank Group.

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

# Net operating income

Net operating income of $A6,055 million for the half year ended 30 September 2026 decreased 24% from $A7,925 million in the prior corresponding period. This decrease was mainly driven by lower net investment income, net other operating income and higher credit and impairment charges, partially offset by higher net interest and trading income and fee and commission income.

## Net interest and trading income

| HALF YEAR TO | | |
|---|---|---|
| **30 Sep 26** | 31 Mar 26 | 30 Sep 25 |
| **$Am** | $Am | $Am |
| **4,276** | 4,102 | 3,803 |

↑12% on pcp

Largely driven by:

- higher net interest and trading income across Equities, Asset Finance and Foreign exchange, interest rates and credit in CGM
- higher net interest income mainly driven by growth in the average loan and deposit portfolios, partially offset by lower margins reflecting changes in portfolio mix and ongoing lending and deposit competition, in BFS.

## Fee and commission income

| HALF YEAR TO | | |
|---|---|---|
| **30 Sep 26** | 31 Mar 26 | 30 Sep 25 |
| **$Am** | $Am | $Am |
| **1,596** | 1,717 | 1,426 |

↑12% on pcp

Largely driven by:

- higher fee and commission income driven by increased volumes in Equities and client activity in Futures, in CGM.

## Net investment income

| HALF YEAR TO | | |
|---|---|---|
| **30 Sep 26** | 31 Mar 26 | 30 Sep 25 |
| **$Am** | $Am | $Am |
| **180** | 1,348 | 2,511 |

↓93% on pcp

Largely driven by:

- the non-recurrence of the gain on the transfer of CGM's North American Power, Gas and Emissions business to the Non-Bank Group in Corporate.

Partially offset by:

- higher gains on sale of assets in Asset Finance in CGM.

## Credit and other impairment charges

| HALF YEAR TO | | |
|---|---|---|
| **30 Sep 26** | 31 Mar 26 | 30 Sep 25 |
| **$Am** | $Am | $Am |
| **(194)** | (288) | (70) |

↑ substantially on pcp

Largely driven by:

- specific impairments for a small number of counterparties in CGM
- higher credit provisions driven by changes in the Australian macroeconomic outlook, partially offset by the sale of the car loans portfolio in BFS.

## Net other operating income

| HALF YEAR TO | | |
|---|---|---|
| **30 Sep 26** | 31 Mar 26 | 30 Sep 25 |
| **$Am** | $Am | $Am |
| **197** | 291 | 255 |

↓23% on pcp

Largely driven by:

- lower net operating lease income primarily driven by the divestment of the OnStream meters platform in the prior period in CGM.

## Operating expenses

Total operating expenses of $A4,047 million for the half year ended 30 September 2026 increased 8% from $A3,738 million in the prior corresponding period. This increase was primarily driven by higher employment and brokerage, commission and fee expenses.

### Employment expenses

| HALF YEAR TO | | |
|---|---|---|
| **30 Sep 26** | 31 Mar 26 | 30 Sep 25 |
| **$Am** | $Am | $Am |
| **2,515** | 2,672 | 2,388 |

↑5% on pcp

Largely driven by:

- higher performance-related profit share
- wage inflation.

Partially offset by:

- lower average headcount.

### Brokerage, commission and fee expenses

| HALF YEAR TO | | |
|---|---|---|
| **30 Sep 26** | 31 Mar 26 | 30 Sep 25 |
| **$Am** | $Am | $Am |
| **490** | 446 | 331 |

↑48% on pcp

Largely driven by:

- higher brokerage expenses driven by increased activity in equities markets in CGM.

### Non-salary technology expenses

| HALF YEAR TO | | |
|---|---|---|
| **30 Sep 26** | 31 Mar 26 | 30 Sep 25 |
| **$Am** | $Am | $Am |
| **507** | 509 | 496 |

↑2% on pcp

Largely driven by:

- increased investment in technology initiatives, mainly to support business growth, in BFS.

### Other operating expenses

| HALF YEAR TO | | |
|---|---|---|
| **30 Sep 26** | 31 Mar 26 | 30 Sep 25 |
| **$Am** | $Am | $Am |
| **535** | 629 | 523 |

↑2% on pcp

Largely driven by:

- higher general administrative expenses.

## Income tax expense and Effective tax rate

### Income tax expense

| HALF YEAR TO | | |
|---|---|---|
| **30 Sep 26** | 31 Mar 26 | 30 Sep 25 |
| **$Am** | $Am | $Am |
| **588** | 572 | 518 |

↑14% on pcp

### Effective tax rate

| HALF YEAR TO | | |
|---|---|---|
| **30 Sep 26** | 31 Mar 26 | 30 Sep 25 |
| **%** | % | % |
| **29.3** | 19.6 | 12.4 |

↑16.9% on pcp

The movement in the effective tax rate was largely driven by the non-recurrence of the non-assessable gain recognised on the transfer of CGM's North American Power, Gas and Emissions business to the Non-Bank Group in the prior corresponding period.

# Statement of financial position

## Assets

| AS AT | |
|---|---|
| **30 Sep 26** | 31 Mar 26 |
| **$Ab** | $Ab |
| **500.5** | 463.1 |

↑8% on 31 Mar 26

Total assets of $A500.5 billion as at 30 September 2026 increased 8% from $A463.1 billion as at 31 March 2026.

The principal drivers for the increase were as follows:

- loan assets of $A245.1 billion as at 30 September 2026 increased 8% from $A226.2 billion as at 31 March 2026, driven by volume growth in BFS home loans
- trading assets of $A47.5 billion as at 30 September 2026 increased 24% from $A38.2 billion as at 31 March 2026, driven by an increase in debt and listed equity securities holdings in CGM
- cash collateralised lending and reverse repurchase agreements of $A85.5 billion as at 30 September 2026 increased 11% from $A77.3 billion as at 31 March 2026, driven by an increase in holdings of reverse repurchase agreements as part of Group Treasury's liquid asset portfolio management
- financial investments of $A24.5 billion as at 30 September 2026 increased 4% from $A23.6 billion as at 31 March 2026, driven by an increase in debt investments in CGM.

## Liabilities

| AS AT | |
|---|---|
| **30 Sep 26** | 31 Mar 26 |
| **$Ab** | $Ab |
| **475.6** | 438.5 |

↑8% on 31 Mar 26

Total liabilities of $A475.6 billion as at 30 September 2026 increased 8% from $A438.5 billion as at 31 March 2026.

The principal drivers for the increase were as follows:

- deposits of $A244.2 billion as at 30 September 2026 increased 10% from $A221.5 billion as at 31 March 2026, driven by volume growth in BFS
- issued debt securities and other borrowings of $A100.1 billion as at 30 September 2026 increased 6% from $A94.6 billion as at 31 March 2026, driven by net debt issuances in Group Treasury
- cash collateralised borrowing and repurchase agreements of $A11.6 billion as at 30 September 2026 increased 71% from $A6.8 billion as at 31 March 2026, driven by an increase in trading activity in CGM
- other liabilities of $A11.9 billion as at 30 September 2026 increased 17% from $A10.2 billion as at 31 March 2026, driven by higher commodity-related payables in CGM
- loan capital of $A16.1 billion as at 30 September 2026 increased 14% from $A14.1 billion as at 31 March 2026, driven by net issuance of Tier 2 capital in Corporate.

## Equity

| AS AT | |
|---|---|
| **30 Sep 26** | 31 Mar 26 |
| **$Ab** | $Ab |
| **24.9** | 24.6 |

↑1% on 31 Mar 26

Total equity of $A24.9 billion as at 30 September 2026 increased 1% from $A24.6 billion as at 31 March 2026.

The principal driver for the increase was:

- $A1.4 billion of earnings generated during the current period.

This increase was partially offset by:

- $A1.1 billion dividend payment.

## Funding

**3.8**

years

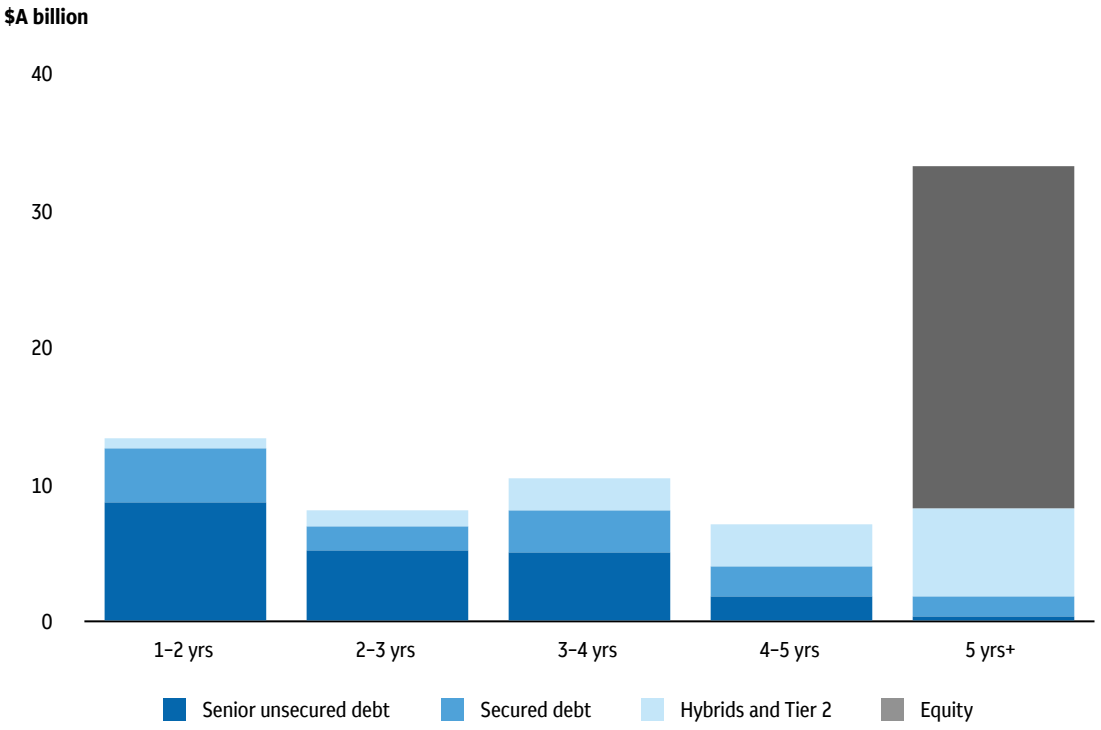
Weighted average maturity

Macquarie Bank'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 Bank has diversity of funding across a range of tenors, currencies and products. The weighted average term to maturity of term funding maturing beyond one year (excluding deposits, equity and securitisations) was 3.8 years as at 30 September 2026.

## Term funding profile

### Detail of drawn funding maturing beyond one year




Macquarie Bank has a liability-driven approach to balance sheet management, where funding is raised prior to assets being taken on to the balance sheet. Macquarie Bank continues to develop its presence across different funding markets and products.

Details of term funding raised between 1 April 2026 and 30 September 2026:

| | | Total $Ab |
|---|---|---|
| Issued paper | – Senior unsecured | **6.4** |
| Secured funding | – Term securitisation, covered bond and secured facilities | **3.3** |
| Loan capital | – Tier 2 | **3.2** |
| Loan facilities | – Unsecured loan facilities | **0.8** |
| **Total**[1] | | **13.7** |

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

## Capital

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 prudential capital requirement (PCR) of 4.5%, capital conservation buffer (CCB) of 3.75% and a countercyclical capital buffer (CCyB)[1] of 0.75%. The corresponding requirement for Tier 1 capital and Total capital is 10.5% and 17% respectively, inclusive of the CCB, CCyB[1] and APRA's loss-absorbing capacity (LAC) requirements. 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.

The Bank Group is well capitalised, with the following capital adequacy ratios as at 30 September 2026:

| Bank Group Level 2 Basel III ratios | APRA Basel III | Harmonised Basel III[2] |
|---|---|---|
| Common Equity Tier 1 Capital Ratio | 12.9% | 17.7% |
| Tier 1 Capital Ratio | 14.3% | 19.4% |
| Total Capital Ratio | 22.8% | 29.8% |
| Leverage Ratio | 4.4% | 4.9% |



For further information relating to the capital adequacy of Macquarie Bank, refer to section 4.0 Capital of the Management Discussion and Analysis available at **macquarie.com/management-discussion-and-analysis** and the Pillar 3 document available at **macquarie.com/investors/regulatory-disclosures**

[1] The CCyB of the Bank Group at 30 September 2026 is 0.79%; 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.
[2] 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 impacts shown are indicative only.

# Operating and financial review

Our strategy

## Our business strategy

The growth of Macquarie's global operations over 57 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 both 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**

**BFS**
Banking and Financial Services

**CGM**
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 growth trends
- Ensuring accountability and entrepreneurial endeavour from staff in pursuing opportunities
- Continuously enhancing our operating platform
- Adopting a disciplined approach to risk management, underpinned by a sound risk culture embedded across the organisation
- Maintaining a strong and conservative balance sheet with diversified sources of funding
- Maintaining safeguards to protect the interests of MBL and its clients.

**Supported from the**

### centre

**COG**
Corporate Operations Group

**FPE**
Financial Management, People and Engagement

**RMG**
Risk Management Group

**LGG**
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**

## Events after the reporting date

At the date of this report the Directors are not aware of any matter or circumstance, other than transactions disclosed in the financial statements, that has arisen and has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the financial years subsequent to 30 September 2026.

## Interim dividend

On 29 June 2026, the Company paid a dividend of $A1,100 million.

No other dividends or distributions were declared or paid during the current period.

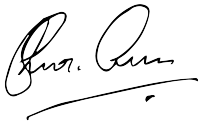
## Rounding of amounts

In accordance with ASIC Corporations *(Rounding in Financial/ Directors' Reports) Instrument 2026/183*, amounts in the Directors' Report and the Interim Financial Report have been rounded off to the nearest million dollars unless otherwise indicated.

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



**Glenn Stevens AC**
Independent Director and Chair



**Stuart Green**
Managing Director and Chief Executive Officer

Sydney
6 November 2026

# Auditor's Independence Declaration

As lead auditor of Macquarie Bank Limited's financial report for the half-year ended 30 September 2026, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* (Cth) in relation to the review of the financial report; and

b) no contraventions of any applicable code of professional conduct in relation to the review of the financial report.



**Voula Papageorgiou**
Partner
PricewaterhouseCoopers

Sydney
6 November 2026

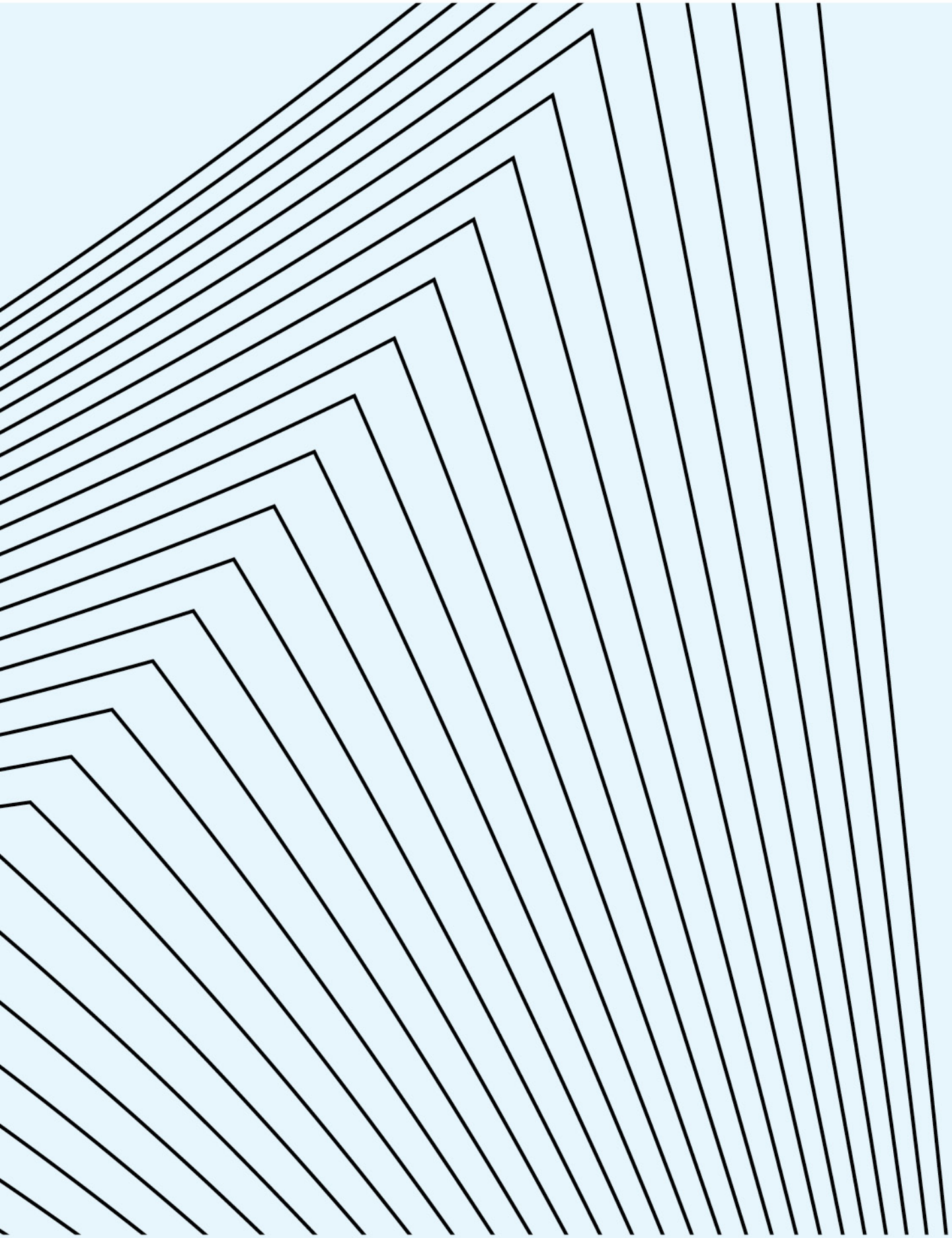
PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, NSW 2000
GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, **www.pwc.com.au**
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# 02

# Financial Report





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The Financial Report was authorised for issue by the Board of Directors on 6 November 2026.

The Board of Directors has the power to amend and reissue the Financial Report.

# Consolidated income statement

For the half year ended 30 September 2026

| | Notes | Half year to 30 Sep 26 $m | Half year to 31 Mar 26 $m | Half year to 30 Sep 25 $m |
|---|---|---|---|---|
| Interest income | 2 | **9,326** | 7,893 | 7,641 |
| Interest expense | 2 | **(7,308)** | (6,170) | (5,872) |
| **Net interest income** | | **2,018** | 1,723 | 1,769 |
| Net trading income | 2 | **2,258** | 2,379 | 2,034 |
| **Net interest and trading income** | | **4,276** | 4,102 | 3,803 |
| Fee and commission income | 2 | **1,596** | 1,717 | 1,426 |
| Net investment income | 2 | **180** | 1,348 | 2,511 |
| Net credit impairment charges | 2 | **(189)** | (220) | (71) |
| Net other impairment (charges)/reversals | 2 | **(5)** | (68) | 1 |
| Net other operating income | 2 | **197** | 291 | 255 |
| **Net operating income** | | **6,055** | 7,170 | 7,925 |
| Employment expenses | 2 | **(2,515)** | (2,672) | (2,388) |
| Brokerage, commission and fee expenses | 2 | **(490)** | (446) | (331) |
| Non-salary technology expenses | 2 | **(507)** | (509) | (496) |
| Other operating expenses | 2 | **(535)** | (629) | (523) |
| **Total operating expenses** | | **(4,047)** | (4,256) | (3,738) |
| **Operating profit before income tax** | | **2,008** | 2,914 | 4,187 |
| Income tax expense | 4 | **(588)** | (572) | (518) |
| **Profit after income tax** | | **1,420** | 2,342 | 3,669 |
| **Profit attributable to the ordinary equity holder of Macquarie Bank Limited** | | **1,420** | 2,342 | 3,669 |

The above consolidated income statement should be read in conjunction with the accompanying notes.

# Consolidated statement of comprehensive income

For the half year ended 30 September 2026

| | Notes | Half year to 30 Sep 26 $m | Half year to 31 Mar 26 $m | Half year to 30 Sep 25 $m |
|---|---|---|---|---|
| **Profit after income tax** | | **1,420** | 2,342 | 3,669 |
| Other comprehensive (loss)/income:[1] | | | | |
| Movements in items that may be subsequently reclassified to the income statement: | | | | |
| Fair value through other comprehensive income (FVOCI) reserve: | | | | |
| Revaluation movement | 19 | **15** | 5 | 18 |
| Changes in expected credit losses (ECL) allowance | 19 | **(1)** | 2 | – |
| Cash flow hedge reserve: | | | | |
| Revaluation movement | 19 | **(8)** | (44) | 6 |
| Transferred to income statement on realisation | 19 | **6** | (27) | (22) |
| Cost of hedging reserve: | | | | |
| Revaluation movement | 19 | **(3)** | (2) | 10 |
| Transferred to income statement on realisation | 19 | **6** | 6 | – |
| Foreign exchange movement on translation and hedge accounting of foreign operations: | | | | |
| Foreign currency translation reserve | 19 | **(57)** | (307) | (391) |
| Transferred to income statement on realisation | 19 | **–** | (3) | (88) |
| Share of other comprehensive (loss) / income from associates and joint ventures | | | | |
| Share of other comprehensive (loss)/income from associates and joint ventures and other reserves | 19 | **(4)** | (6) | (5) |
| Transferred to income statement on realisation | 19 | **–** | (48) | – |
| Movements in items that will not be subsequently reclassified to the income statement: | | | | |
| Fair value changes attributable to own credit risk on debt designated at fair value through profit or loss (DFVTPL) | 19 | **(1)** | 1 | – |
| Others | | **–** | (1) | 1 |
| **Total other comprehensive loss** | | **(47)** | (424) | (471) |
| **Total comprehensive income attributable to the ordinary equity holder of Macquarie Bank Limited** | | **1,373** | 1,918 | 3,198 |

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

[1] All items are net of income tax, where applicable.

# Consolidated statement of financial position

As at 30 September 2026

| | Notes | As at 30 Sep 26 $m | As at 31 Mar 26 $m | As at 30 Sep 25 $m |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and bank balances | | **18,372** | 19,607 | 20,034 |
| Cash collateralised lending and reverse repurchase agreements | | **85,450** | 77,339 | 66,104 |
| Trading assets | 7 | **47,459** | 38,158 | 41,369 |
| Margin money and settlement assets | 8 | **20,099** | 18,895 | 18,034 |
| Derivative assets | 9 | **41,357** | 42,248 | 24,143 |
| Financial investments | | **24,517** | 23,646 | 19,694 |
| Held for sale assets | 15 | **–** | – | 1,554 |
| Other assets | 15 | **7,717** | 7,309 | 6,007 |
| Loan assets | 5 | **245,114** | 226,211 | 199,789 |
| Due from other Macquarie Group entities | | **5,980** | 4,819 | 5,780 |
| Property, plant and equipment and right-of-use assets | | **3,328** | 3,696 | 5,447 |
| Deferred tax assets | | **1,105** | 1,153 | 905 |
| **Total assets** | | **500,498** | 463,081 | 408,860 |
| **Liabilities** | | | | |
| Deposits | 10 | **244,162** | 221,547 | 198,769 |
| Cash collateralised borrowing and repurchase agreements | | **11,553** | 6,819 | 7,825 |
| Trading liabilities | 11 | **12,946** | 12,294 | 11,215 |
| Margin money and settlement liabilities | 12 | **29,053** | 27,662 | 20,771 |
| Derivative liabilities | 13 | **37,617** | 36,347 | 22,681 |
| Other liabilities | 16 | **11,915** | 10,112 | 7,541 |
| Due to other Macquarie Group entities | | **12,115** | 15,045 | 13,362 |
| Issued debt securities and other borrowings | 14 | **100,120** | 94,599 | 90,788 |
| Deferred tax liabilities | | **10** | 8 | 18 |
| **Total liabilities excluding loan capital** | | **459,491** | 424,433 | 372,970 |
| Loan capital | | **16,133** | 14,068 | 13,180 |
| **Total liabilities** | | **475,624** | 438,501 | 386,150 |
| **Net assets** | | **24,874** | 24,580 | 22,710 |
| **Equity** | | | | |
| Contributed equity | 18 | **10,285** | 10,264 | 10,267 |
| Reserves | 19 | **674** | 720 | 1,144 |
| Retained earnings | 19 | **13,915** | 13,596 | 11,299 |
| **Total capital and reserves attributable to the ordinary equity holder of Macquarie Bank Limited** | | **24,874** | 24,580 | 22,710 |
| **Total equity** | | **24,874** | 24,580 | 22,710 |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# Consolidated statement of changes in equity

For the half year ended 30 September 2026

| | Notes | Contributed equity $m | Reserves $m | Retained earnings $m | Total $m |
|---|---|---|---|---|---|
| **Balance as at 1 Apr 2025** | | 10,192 | 1,616 | 11,179 | 22,987 |
| Profit after income tax | | – | – | 3,669 | 3,669 |
| Other comprehensive income, net of income tax | | – | (472) | 1 | (471) |
| **Total comprehensive income** | | – | (472) | 3,670 | 3,198 |
| Transactions with equity holder in their capacity as ordinary equity holder: | | | | | |
| Dividends paid | 20 | – | – | (3,550) | (3,550) |
| Other equity movements | 18 | 75 | – | – | 75 |
| | | 75 | – | (3,550) | (3,475) |
| **Balance as at 30 Sep 2025** | | 10,267 | 1,144 | 11,299 | 22,710 |
| Profit after income tax | | – | – | 2,342 | 2,342 |
| Other comprehensive income, net of income tax | | – | (424) | – | (424) |
| **Total comprehensive income** | | – | (424) | 2,342 | 1,918 |
| Transactions with equity holder in their capacity as ordinary equity holder: | | | | | |
| Change attributable to transaction under common control | 19 | – | – | (45) | (45) |
| Other equity movements | 18 | (3) | – | – | (3) |
| | | (3) | – | (45) | (48) |
| **Balance as at 31 Mar 2026** | | **10,264** | **720** | **13,596** | **24,580** |
| Profit after income tax | | **–** | **–** | **1,420** | **1,420** |
| Other comprehensive income, net of income tax | | **–** | **(46)** | **(1)** | **(47)** |
| **Total comprehensive income** | | **–** | **(46)** | **1,419** | **1,373** |
| Transactions with equity holder in their capacity as ordinary equity holder: | | | | | |
| Dividends paid | 20 | **–** | **–** | **(1,100)** | **(1,100)** |
| Other equity movements | 18 | **21** | **–** | **–** | **21** |
| | | **21** | **–** | **(1,100)** | **(1,079)** |
| **Balance as at 30 Sep 2026** | | **10,285** | **674** | **13,915** | **24,874** |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Consolidated statement of cash flows

For the half year ended 30 September 2026

| | Half year to 30 Sep 26 $m | Half year to 31 Mar 26 $m | Half year to 30 Sep 25 $m |
|---|---|---|---|
| **Cash flows generated from/(utilised in) operating activities** | | | |
| Interest income and expense: | | | |
| Received | **9,274** | 7,713 | 7,625 |
| Paid | **(7,115)** | (6,040) | (5,957) |
| Fees, commissions and other income and charges: | | | |
| Received | **1,714** | 1,902 | 1,462 |
| Paid | **(474)** | (421) | (328) |
| Operating lease income received | **215** | 384 | 391 |
| Dividends and distributions received | **33** | 14 | 26 |
| Operating expenses paid: | | | |
| Employment expenses | **(2,881)** | (1,711) | (2,792) |
| Other operating expenses | **(958)** | (700) | (1,048) |
| Income tax paid | **(352)** | (263) | (157) |
| Changes in operating assets: | | | |
| Loan assets and receivables from Macquarie Group entities | **(25,955)** | (21,847) | (15,295) |
| Liquid asset holdings | **(1,369)** | (3,045) | (1,792) |
| Trading and related assets, and collateralised lending balances, including trading balances with Macquarie Group entities (net of liabilities) | **4,188** | 5,461 | (11,041) |
| Assets under operating lease | **35** | (160) | (53) |
| Other assets (net of liabilities) | **(326)** | (237) | 66 |
| Changes in operating liabilities: | | | |
| Deposits | **22,608** | 22,985 | 21,288 |
| Issued debt securities, borrowings and other funding | **6,773** | 6,548 | 7,084 |
| **Net cash flows generated from/(utilised in) operating activities** | **5,410** | 10,583 | (521) |
| **Cash flows generated from/(utilised in) investing activities** | | | |
| Net (payments for)/proceeds from financial investments | **(1,117)** | (1,394) | (140) |
| Associates, joint ventures, subsidiaries and businesses: | | | |
| Proceeds from distribution or disposal, net of cash deconsolidated | **2,487** | 649 | 3,032 |
| Payments for additional contribution or acquisitions, net of cash acquired | **(40)** | (116) | (9) |
| Net payments for acquisitions of property, plant and equipment | **(42)** | (9) | (85) |
| **Net cash flows generated from/(utilised in) investing activities** | **1,288** | (870) | 2,798 |
| **Cash flows generated from/(utilised in) financing activities** | | | |
| Loan capital: | | | |
| Issuance | **3,173** | 1,243 | 2,753 |
| Redemption | **(750)** | – | (1,884) |
| Dividends and distributions paid | **(1,100)** | – | (3,550) |
| **Net cash flows generated from/(utilised in) financing activities** | **1,323** | 1,243 | (2,681) |
| **Net increase/(decrease) in cash and cash equivalents** | **8,021** | 10,956 | (404) |
| Cash and cash equivalents at the beginning of the period | **60,563** | 50,570 | 51,293 |
| Effect of exchange rate movements on cash and cash equivalents | **(408)** | (963) | (319) |
| **Cash and cash equivalents at the end of the period** | **68,176** | 60,563 | 50,570 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Note 1

### Basis of preparation

This general purpose interim financial report for the half year reporting period ended 30 September 2026 has been prepared in accordance with AASB 134 *Interim Financial Reporting* (AASB 134) and the *Corporations Act 2001* (Cth). Compliance with AASB 134 ensures compliance with International Accounting Standard IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB).

This interim financial report comprises the consolidated financial report of Macquarie Bank Limited (MBL or the Company) and the entities it controlled at the end of, or during, the half year ended 30 September 2026 (the Consolidated Entity).

This interim financial report does not include all the disclosures of the type that are normally included in the Consolidated Entity's annual financial report. Accordingly, this report is to be read in conjunction with the Consolidated Entity's annual financial report for the year ended 31 March 2026 and any public announcements made by the Consolidated Entity during the reporting period in accordance with the continuous disclosure requirements issued by the Australian Securities Exchange (ASX).

In accordance with ASIC Corporations *(Rounding in Financial/ Directors' Reports) Instrument 2026/183*, amounts in the Directors' Report and the interim financial report have been rounded to the nearest million Australian dollars ($) unless otherwise indicated.

The accounting policies adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Consolidated Entity's annual financial report for the year ended 31 March 2026.

#### (i) Critical accounting estimates and significant judgements

The preparation of this interim financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Consolidated Entity's accounting policies.

Areas of estimation uncertainty and the basis of key judgements applied by management in preparing the interim financial report are consistent with those that were applied and disclosed in the Consolidated Entity's annual financial report for the year ended 31 March 2026.

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

Management believes that the estimates and judgements used in preparing the interim financial report are reasonable. Notwithstanding, it is possible that outcomes differ from management's assumptions and estimates, which may result in an adjustment to the carrying amounts of the reported assets and liabilities in future reporting periods.

#### (ii) New and amended Accounting Standards and interpretations that are effective in the current period

##### (a) Amendments to AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures*

On 1 April 2026 the Consolidated Entity adopted the amendments to AASB 9 *Financial Instruments* (AASB 9) and AASB 7 *Financial Instruments: Disclosures* (AASB 7).

The amendments include:

- additional guidance to assess the contractual cash flow characteristics, including for instruments with contingent features (such as ESG-linked terms), contractually linked instruments and certain non-recourse arrangements,
- clarification of derecognition requirements for financial assets and financial liabilities, including new guidance for derecognition of a financial liability when payment is initiated through an electronic payment system, and
- new disclosures for certain instruments with contractual terms that can change the cash flows.

The adoption of these amendments did not result in a material impact on this interim financial report.

##### (b) Other amendments made to existing standards

Other amendments made to existing standards that were mandatorily effective for the annual reporting period beginning on 1 April 2026 did not result in a material impact on this interim financial report.

#### (iii) New and amended Accounting Standards and interpretations that are not yet effective for the current period

##### (a) AASB 18 *Presentation and Disclosure in Financial Statements*

In June 2024, the AASB issued AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18). This new standard will be effective for the Consolidated Entity from 1 April 2027 and is required to be applied retrospectively.

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

The Consolidated Entity is continuing to assess the impact of adopting AASB 18. Based on the assessment completed to date, the Consolidated Entity does not expect the adoption to have a material impact to its financial report.

##### (b) Other amendments made to existing standards

Other amendments to existing standards that are not mandatorily effective for the annual reporting period beginning on 1 April 2026 and have not been early adopted, are not likely to result in material impacts to the Consolidated Entity's financial report.

## Note 1

### Basis of preparation continued

#### (iv) Comparatives

Where necessary, comparative information has been re-presented to conform to changes in presentation adopted in the financial report for the year ended 31 March 2026, including the re-presentation of *Net investment income*, which was previously included within *Net other operating income and charges*.

#### (v) Geopolitical environment at reporting date

The ongoing conflict in the Middle East has increased global uncertainty and volatility across global economic and financial markets. The Consolidated Entity has considered the possible effects of this conflict together with other sources of market volatility, in estimates and assumptions made in preparing these financial statements. Forward-looking information, including the scenarios and related weightings used in determining Expected Credit Losses (ECL), is disclosed in Note 6.

## Note 2

### Operating profit before income tax

| | Half year to 30 Sep 26 $m | Half year to 31 Mar 26 $m | Half year to 30 Sep 25 $m |
|---|---|---|---|
| **Interest income** | | | |
| Effective interest rate method - Amortised cost | **7,510** | 6,351 | 6,184 |
| Effective interest rate method - FVOCI | **1,502** | 1,248 | 974 |
| Other - FVTPL | **314** | 294 | 483 |
| **Total interest income** | **9,326** | 7,893 | 7,641 |
| **Interest expense** | | | |
| Effective interest rate method - Amortised cost | **(7,227)** | (6,103) | (5,831) |
| Other - FVTPL | **(81)** | (67) | (41) |
| **Total interest expense** | **(7,308)** | (6,170) | (5,872) |
| **Net interest income** | **2,018** | 1,723 | 1,769 |
| **Net trading income**[1] | | | |
| Commodities[2] | **1,077** | 1,372 | 1,197 |
| Equities | **771** | 630 | 525 |
| Interest rate, foreign exchange and credit products | **410** | 377 | 312 |
| **Total net trading income** | **2,258** | 2,379 | 2,034 |
| **Net interest and trading income** | **4,276** | 4,102 | 3,803 |
| **Fee and commission income** | | | |
| Service fee from Macquarie Group entities | **793** | 904 | 776 |
| Brokerage and stock lending fees | **244** | 221 | 195 |
| Portfolio administration fees | **179** | 183 | 166 |
| Lending fees | **106** | 98 | 84 |
| Other fee and commission income | **274** | 311 | 205 |
| **Total fee and commission income** | **1,596** | 1,717 | 1,426 |
| **Net investment income** | | | |
| Net gain on financial investments, other financial and non-financial assets | **139** | 252 | 40 |
| Share of net profits from associates and joint ventures | **23** | 34 | 22 |
| Net gain on sale of interests in associates, joint ventures, businesses and subsidiaries | **18** | 1,062 | 2,449 |
| **Net investment income** | **180** | 1,348 | 2,511 |

[1] Includes gains/(losses) for trading assets, derivatives and other financial assets and financial liabilities held at fair value including any ineffectiveness on hedging transactions.
[2] Includes $29 million (half year to 31 March 2026: $50 million; half year to 30 September 2025: $331 million) of transportation, storage and certain other trading-related costs.

## Note 2

### Operating profit before income tax continued

| | Half year to 30 Sep 26 $m | Half year to 31 Mar 26 $m | Half year to 30 Sep 25 $m |
|---|---|---|---|
| **Credit and other impairment (charges)/reversals** | | | |
| **Credit impairment (charges)/reversals** | | | |
| Loan assets and undrawn credit commitments | **(124)** | (207) | (58) |
| Others | **(65)** | (13) | (13) |
| **Net credit impairment charges** | **(189)** | (220) | (71) |
| **Other impairment (charges)/reversals** | | | |
| Intangible and other non-financial assets | **(5)** | (82) | – |
| Interests in associates and joint ventures | **–** | 14 | 1 |
| **Net other impairment (charges)/reversals** | **(5)** | (68) | 1 |
| **Total credit and other impairment charges** | **(194)** | (288) | (70) |
| **Net other operating income** | | | |
| **Operating lease income** | | | |
| Rental income | **215** | 370 | 407 |
| Depreciation | **(104)** | (116) | (198) |
| **Net operating lease income** | **111** | 254 | 209 |
| Net other income | **86** | 37 | 46 |
| **Total net other operating income** | **197** | 291 | 255 |
| **Net operating income** | **6,055** | 7,170 | 7,925 |

# Notes to the consolidated financial statements

For the half year ended 30 September 2026 continued

## Note 2

### Operating profit before income tax continued

| | Half year to 30 Sep 26 $m | Half year to 31 Mar 26 $m | Half year to 30 Sep 25 $m |
|---|---|---|---|
| **Employment expenses** | | | |
| Salary and related costs including commissions, superannuation and performance-related profit share | **(2,100)** | (2,285) | (1,967) |
| Share-based payments | **(217)** | (246) | (249) |
| Provision for long service leave and annual leave | **(39)** | (5) | (31) |
| Total compensation expenses | **(2,356)** | (2,536) | (2,247) |
| Other employment expenses including on-costs, staff procurement and staff training | **(159)** | (136) | (141) |
| **Total employment expenses** | **(2,515)** | (2,672) | (2,388) |
| **Brokerage, commission and fee expenses** | | | |
| Brokerage and other trading-related fee expenses | **(373)** | (300) | (277) |
| Other fee and commission expenses | **(117)** | (146) | (54) |
| **Total brokerage, commission and fee expenses** | **(490)** | (446) | (331) |
| **Non-salary technology expenses** | | | |
| Information services | **(66)** | (70) | (75) |
| Depreciation on own use assets: equipment | **(16)** | (21) | (14) |
| Service provider technology expenses | **(425)** | (418) | (407) |
| **Total non-salary technology expenses** | **(507)** | (509) | (496) |
| **Other operating expenses** | | | |
| **Occupancy expenses** | | | |
| Lease and related amortisation expenses | **(118)** | (134) | (127) |
| Depreciation on own use assets: buildings, furniture, fittings and leasehold improvements | **(70)** | (67) | (79) |
| **Total occupancy expenses** | **(188)** | (201) | (206) |
| **General administrative expenses** | | | |
| Professional fees | **(100)** | (125) | (92) |
| Indirect and other taxes | **(46)** | (30) | (20) |
| Travel and entertainment expenses | **(38)** | (38) | (39) |
| Advertising and promotional expenses | **(24)** | (27) | (18) |
| Fees for audit and other services | **(17)** | (17) | (19) |
| Other | **(122)** | (191) | (129) |
| **Total general administrative expenses** | **(347)** | (428) | (317) |
| **Total other operating expenses** | **(535)** | (629) | (523) |
| **Total operating expenses** | **(4,047)** | (4,256) | (3,738) |
| **Operating profit before income tax** | **2,008** | 2,914 | 4,187 |

# Note 3

## Segment reporting

### (i) Operating segments

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

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

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

The financial information disclosed relates to the Consolidated Entity's continuing operations.

### Reportable segments

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

- **BFS** which provides a diverse range of personal banking, wealth management and business banking products and services to retail clients, advisers, brokers and business clients across Australia
- **CGM** which is a global business offering capital and financing, risk management, market access, physical execution and logistics solutions to its diverse client base across Commodities, Financial Markets and Asset Finance.

The **Corporate** segment comprises head office and Central Service Groups, and holds certain legacy and strategic investments, assets and businesses that are not allocated to any of the Operating Groups. Any individually immaterial balance not attributable to an Operating Segment is also reported as part of the Corporate segment.

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

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

### Policies

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

#### Internal funding arrangements

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

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

#### Transactions between Operating Segments

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

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

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

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

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

Net interest income and net trading income are presented and discussed below in aggregate for each Reportable Segment, which management believes presents a more consistent overview of business performance and allows for a better analysis of the underlying activities and drivers.

## Note 3

### Segment reporting continued

#### (i) Operating segments continued

Central Service Groups

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

Central Service Groups recover their costs from Operating Groups generally on either a time and effort allocation basis or a fee for service basis. Central Service Groups include the Corporate Operations Group (COG), Financial Management, People and Engagement (FPE), Risk Management Group (RMG), Legal and Governance Group (LGG) and Central Executive.

Performance-related profit share and share-based payments expenses

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

Income tax

The income tax expense and benefit is recognised in the Corporate segment and is not allocated to the Operating Groups. However, to recognise an Operating Group's contribution to permanent income tax differences, the internal management revenue/(charge) category is used. In circumstances where the final tax expense or benefit of a transaction is not known at period end, the timing of recognition of any benefit or impact is subject to Chief Financial Officer approval.

This internal management revenue/(charge) category, which is primarily used for permanent income tax differences generated by the Operating Groups, is offset by an equal and opposite amount recognised in the Corporate segment such that they are eliminated on consolidation.

Reportable segment assets

Segment assets are the external assets that are employed by a reportable segment in its operating activities.

Presentation of segment income statements

The income statements on the following pages for each of the reported segments are in some cases summarised to provide users with information relevant to the understanding of the Consolidated Entity's financial performance. Where appropriate, all material or key balances have been reported separately.

# Note 3

## Segment reporting continued

### (i) Operating segments continued

The following is an analysis of the Consolidated Entity's revenue and results by reportable segment:

| | BFS $m | CGM $m | Corporate $m | Total $m |
|---|---|---|---|---|
| | | | | Half year to 30 Sep 26 |
| Net interest and trading income | **1,635** | **2,276** | **365** | **4,276** |
| Fee and commission income | **337** | **439** | **820** | **1,596** |
| Net investment income | **(23)** | **214** | **(11)** | **180** |
| Other operating income and charges | | | | |
| Net credit and other impairment (charges)/reversals | **(77)** | **(118)** | **1** | **(194)** |
| Net other operating income and charges | **-** | **192** | **5** | **197** |
| Internal management revenue/(charge) | **1** | **131** | **(132)** | **-** |
| Net operating income | **1,873** | **3,134** | **1,048** | **6,055** |
| Total operating expenses | **(1,032)** | **(1,510)** | **(1,505)** | **(4,047)** |
| Operating profit/(loss) before income tax | **841** | **1,624** | **(457)** | **2,008** |
| Income tax expense | **-** | **-** | **(588)** | **(588)** |
| **Net profit/(loss) contribution** | **841** | **1,624** | **(1,045)** | **1,420** |
| **Reportable segment assets** | **220,125** | **191,621** | **88,752** | **500,498** |
| | | | | Half year to 31 Mar 26 |
| Net interest and trading income | 1,443 | 2,352 | 307 | 4,102 |
| Fee and commission income | 339 | 426 | 952 | 1,717 |
| Net investment income | 4 | 1,300 | 44 | 1,348 |
| Other operating income and charges | | | | |
| Net credit and other impairment (charges)/reversals | (12) | (251) | (25) | (288) |
| Net other operating income and charges | 1 | 247 | 43 | 291 |
| Internal management revenue/(charge) | - | (10) | 10 | - |
| Net operating income | 1,775 | 4,064 | 1,331 | 7,170 |
| Total operating expenses | (958) | (1,497) | (1,801) | (4,256) |
| Operating profit/(loss) before income tax | 817 | 2,567 | (470) | 2,914 |
| Income tax expense | - | - | (572) | (572) |
| **Net profit/(loss) contribution** | 817 | 2,567 | (1,042) | 2,342 |
| **Reportable segment assets** | 202,188 | 183,136 | 77,757 | 463,081 |
| | | | | Half year to 30 Sep 25 |
| Net interest and trading income | 1,456 | 2,051 | 296 | 3,803 |
| Fee and commission income | 329 | 322 | 775 | 1,426 |
| Net investment income | (3) | 66 | 2,448 | 2,511 |
| Other operating income and charges | | | | |
| Net credit and other impairment (charges)/reversals | (24) | (59) | 13 | (70) |
| Net other operating income and charges | (1) | 239 | 17 | 255 |
| Internal management revenue/(charge) | 1 | 4 | (5) | - |
| Net operating income | 1,758 | 2,623 | 3,544 | 7,925 |
| Total operating expenses | (965) | (1,547) | (1,226) | (3,738) |
| Operating profit before income tax | 793 | 1,076 | 2,318 | 4,187 |
| Income tax expense | - | - | (518) | (518) |
| **Net profit contribution** | 793 | 1,076 | 1,800 | 3,669 |
| **Reportable segment assets** | 182,028 | 162,683 | 64,149 | 408,860 |

## Note 3

### Segment reporting continued

#### (ii) Fee and commission income/(expense) relating to contracts with customers

The following is an analysis of the Consolidated Entity's fee and commission income/(expense) by reportable segment:

| | BFS | CGM | Corporate | Total |
|---|---|---|---|---|
| | $m | $m | $m | $m |
| | | | | Half year to 30 Sep 26 |
| **Fee and commission income** | | | | |
| Service fee from Macquarie Group entities | **–** | **–** | **793** | **793** |
| Brokerage and stock lending fees | **14** | **230** | **–** | **244** |
| Portfolio administration fees | **179** | **–** | **–** | **179** |
| Lending fees | **79** | **27** | **–** | **106** |
| Other fee and commission income | **65** | **182** | **27** | **274** |
| **Total fee and commission income** | **337** | **439** | **820** | **1,596** |
| | | | | Half year to 31 Mar 26 |
| **Fee and commission income** | | | | |
| Service fee from Macquarie Group entities | – | – | 904 | 904 |
| Brokerage and stock lending fees | 17 | 204 | – | 221 |
| Portfolio administration fees | 183 | – | – | 183 |
| Lending fees | 75 | 23 | – | 98 |
| Other fee and commission income | 64 | 199 | 48 | 311 |
| **Total fee and commission income** | 339 | 426 | 952 | 1,717 |
| | | | | Half year to 30 Sep 25 |
| **Fee and commission income** | | | | |
| Service fee from Macquarie Group entities | – | – | 776 | 776 |
| Brokerage and stock lending fees | 19 | 176 | – | 195 |
| Portfolio administration fees | 166 | – | – | 166 |
| Lending fees | 71 | 13 | – | 84 |
| Other fee and commission income | 73 | 133 | (1) | 205 |
| **Total fee and commission income** | 329 | 322 | 775 | 1,426 |

# Note 4
## Income tax expense

| | Half year to 30 Sep 26 $m | Half year to 31 Mar 26 $m | Half year to 30 Sep 25 $m |
|---|---|---|---|
| **(i) Reconciliation of income tax expense to prima facie income tax expense** | | | |
| Prima facie income tax expense on operating profit at the Australian tax rate of 30% (31 March 2026: 30%; 30 September 2025: 30%) | **(602)** | (870) | (1,256) |
| Tax effect of amounts which are (non-deductible)/non-assessable in calculating taxable income: | | | |
| Rate differential on offshore income | **75** | 358 | 56 |
| Gain on transaction under common control | **–** | 15 | 734 |
| Other items | **(61)** | (75) | (52) |
| **Total income tax expense** | **(588)** | (572) | (518) |
| **(ii) Tax (expense)/benefit relating to Other Comprehensive Income (OCI)** | | | |
| FVOCI reserve | **(6)** | (3) | (8) |
| Own credit risk | **1** | – | – |
| Cash flow hedges and cost of hedging reserves | **(2)** | 14 | – |
| Foreign currency translation reserve | **1** | – | – |
| Share of other comprehensive benefit of associates and joint venture reserves | **–** | 12 | 6 |
| **Total tax (expense)/benefit relating to OCI** | **(6)** | 23 | (2) |

Revenue authorities undertake risk reviews and audits as part of their normal activities. The Consolidated Entity has assessed these and other taxation claims and litigation, including seeking external advice where appropriate, and considers that it holds appropriate provisions and relevant disclosures have been made.

Included in the above is $2 million (half year ended 31 March 2026: $5 million; half year ended 30 September 2025: $1 million) related to BEPS Pillar Two current tax expense.

# Note 5
## Loan assets

| | As at 30 Sep 26 | | | As at 31 Mar 26 | | | As at 30 Sep 25 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Gross carrying value $m | ECL allowance $m | Net carrying value $m | Gross carrying value $m | ECL allowance $m | Net carrying value $m | Gross carrying value $m | ECL allowance $m | Net carrying value $m |
| Home loans | **200,247** | **(205)** | **200,042** | 183,198 | (159) | 183,039 | 161,878 | (140) | 161,738 |
| Corporate, commercial and other lending | **39,435** | **(473)** | **38,962** | 38,434 | (411) | 38,023 | 33,399 | (245) | 33,154 |
| Asset financing | **6,128** | **(18)** | **6,110** | 5,193 | (44) | 5,149 | 4,953 | (56) | 4,897 |
| **Total loan assets[1]** | **245,810** | **(696)** | **245,114** | 226,825 | (614) | 226,211 | 200,230 | (441) | 199,789 |

[1] Includes loan assets carried at fair value, capitalised costs and unearned income which are not subject to ECL.

## Note 6

### Expected credit losses

The Consolidated Entity models the expected credit losses (ECL) for on-balance sheet financial assets measured at amortised cost or FVOCI such as loans, debt securities and lease receivables, as well as off-balance sheet items such as undrawn credit commitments, certain financial guarantee contracts and letters of credit.

The AASB 9 'low credit risk' exemption is not applied by the Consolidated Entity to material portfolios.

#### Model inputs

The Consolidated Entity segments its credit portfolio between retail and wholesale exposures, and further splits these portfolios into representative groupings which are typically based on shared risk characteristics.

The Consolidated Entity has developed several models to estimate the ECL. These models incorporate a range of components notably that of Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD) as well as Forward Looking Information (FLI).

For retail portfolios, behavioural variables are also considered in the determination of inputs for ECL modelling.

The key model inputs used in measuring the ECL include:

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

#### Significant increase in credit risk (SICR)

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

SICR thresholds, which require judgement, are used to determine whether an exposure's credit risk has increased significantly. The SICR methodology is based on a relative credit risk approach which considers changes in an underlying exposure's credit risk since origination. This may result in exposures being classified in Stage II that are of a higher credit quality than other similar exposures that are classified as Stage I. Accordingly, while similar increases in the quantum of Stage II exposures will suggest a relative deterioration of credit quality, it should not necessarily be inferred that the assets are of a lower credit quality.

#### Retail exposures

Exposures are assigned a risk measure including behavioural score which considers relevant information on initial recognition to determine default probability. This risk measure is periodically assessed and updated to reflect changes in the underlying exposures' credit behaviour. The change in risk measure from initial recognition to reporting date is compared with established thresholds which, where exceeded, result in the exposure being categorised as Stage II.

For material retail portfolios, the credit risk for an exposure or portfolio is generally deemed to have increased significantly if the exposure is more than 30 days past due, unless there are product specific characteristics that indicate that this threshold should be rebutted.

#### Wholesale exposures

The Consolidated Entity assigns an internal credit rating to each exposure at origination based on information available at that date. These internal ratings are broadly aligned to external credit rating agencies such as S&P Global Ratings and Moody's.

Where an exposure's assigned credit rating deteriorates beyond pre-defined thresholds per credit rating at origination, the exposure is categorised as Stage II. The methodology has been calibrated so that a larger change in rating is required for higher quality credit rated exposures than for lower quality credit rated exposures to be classified as Stage II.

#### Definition of default

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

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

## Note 6

### Expected credit losses continued

#### Forward-looking information (FLI)

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

The Consolidated Entity applies its professional judgement in determining whether there are any inherent risks in the models' predictive outcomes. The overlays to adjust for modelled ECL output primarily reflect management's assessment and judgement of the current economic and credit environment. These overlays account for the risk that underlying credit risk events have occurred, but observable modelled inputs are yet to reflect those events, as well as risks that are specific to regions, counterparties or industries which are difficult to account for within the modelled outcomes. Over time the credit models are recalibrated to enhance the predictive capability. In the current period specific overlays have been applied after review of portfolio performance and modelled outcomes as well as the prevailing macroeconomic and geopolitical environment. At the reporting date total overlays were approximately $130 million (31 March 2026: $175 million; 30 September 2025: $110 million). These judgements are reviewed by FPE and RMG at each reporting date.

RMG is responsible for the FLI including developing the alternate scenarios to Macquarie's baseline scenario and recommending the range of probability weights to apply to those scenarios. For this purpose, four economic scenarios have been developed for this period, being an upside, downside, severe downside, and baseline scenario. In calculating the ECL, each scenario is probability weighted and applied to the modelled ECL for that scenario to determine a probability weighted total.

The scenarios have been developed using a combination of publicly available data, internal forecasts, and third-party information. The baseline assumes global economic growth to moderately increase despite energy market disruptions from conflict in the Middle East. The upside, downside and severe downside scenarios are anchored to the baseline on a relative basis.

Refinement of the scenarios includes benchmarking to external data from reputable sources. These sources include forecasts published from a range of market economists and official data sources, including major central banks, where available.

Management exercised judgement when determining the duration, severity and impact of the macroeconomic scenarios used by the Consolidated Entity.

Assigning probabilities to these scenarios also required professional judgement. This judgement drew on internal risk and economics specialist input, comparison to general market outlooks and publicly available market commentary.

The scenarios and the associated probabilities were approved by senior risk and finance executives.

The scenarios for each of the key regions where the Consolidated Entity's ECL is derived have been set out on the following pages. Noting the diversity of possible scenarios and macroeconomic outcomes, and the continuing uncertainty regarding the implications of geopolitical events, energy price volatility and ongoing trade uncertainties, inflationary pressures and the path of monetary policy, these scenarios represent plausible forward-looking views as at the reporting date.

These scenarios impact the modelled ECL provisioning levels through determination of probabilities of default and determination of losses that may be incurred should a default occur. The ability of borrowers to service their obligations through personal or business income is generally estimated using unemployment rates, GDP, commodity prices and interest rates. The losses that the Consolidated Entity may incur should a default occur, and the collateral utilised is generally estimated through property price and share price index outlooks.

Future economic conditions may differ to the scenarios outlined, the impact of which will be accounted for in future reporting periods.

## Note 6

### Expected credit losses continued

#### Forward-looking information continued

| Scenario | Weighting | Expectation |
|---|---|---|
| **Baseline**<br>A 100% weighting to this scenario would result in an estimated total expected credit loss provision on balance sheet at the reporting date of ~$750 million[1] | Probable | **Global**: The baseline scenario projects global GDP growth of 2.9% in the year to December 2026. A gradual reduction in energy headwinds, as flows through the Strait of Hormuz increase, and an expansion of the US AI investment surge into other sectors and regions is expected to lift global GDP growth to 3% in the year to December 2027.<br>**Australia**: GDP growth is forecast to remain marginally below average at 1.5% in the year to December 2027, similar to the expected pace of growth in the year prior as monetary tightening, lower wage growth, and recent tax changes for housing investors dampen private demand. The Reserve Bank of Australia (RBA) has lifted rates a total of 125 bps in 2026, bringing the cash rate to 4.85%; the cash rate is expected to remain at 4.85% for the duration of 2027. Tightened monetary policy is expected to weigh on the housing market. Housing prices have fallen by almost 6% nationally since the recent peak in March 2026 and are expected to fall further in the months ahead. Unemployment is forecast to gradually increase from 4.7% in September 2026 to 4.9% by early 2027.<br>**United States**: GDP growth is forecast to increase to 2.7% in the year to December 2027 from an estimated 2.4% in the year to December 2026. A reduction in uncertainty is expected to provide a boost to both consumption and fixed business investment. AI related investment is also expected to support growth. The labour market is expected to continue showing improvement with unemployment falling to 3.8% by end-2027 from 4% at end-2026. Above-target inflation is expected to lead the Federal Reserve to raise policy rates modestly, with 25 bps hikes expected in December 2026 and March 2027, following a 25 bps hike in September 2026; thereafter, the Federal Reserve is expected to maintain the range for fed funds rate at 4.25-4.50% for the remainder of 2027.<br>**Europe**: The scenario forecasts a modest economic recovery from disruptions to energy supplies; GDP is expected to expand by 1.1% and 1.5% in year ending December 2026 and 2027, respectively. Following 50bps of hikes in 2026, the ECB is expected to lift rates by a further 50bps by March 2027, with the policy rate to remain unchanged at 3% over the remainder of 2027. Unemployment is forecast to be unchanged across 2026-27 at 6.4%. |
| **Downside**<br>A 100% weighting to this scenario would result in an estimated total expected credit loss provision on balance sheet at the reporting date of ~$1,000 million[1] | Possible | **Global**: The downside scenario projects annual real GDP growth that is approximately 1 percentage point lower than the baseline until late 2027.<br>**Australia**: Under this scenario, GDP growth loses momentum and falls to 0.5% at the end of 2027 from 1.1% in the year to December 2026. Higher energy costs weigh on household spending. Inflationary pressures lead to RBA policy tightening, and house prices decline 23% from their recent peak in March 2026.<br>**United States**: In this scenario, GDP growth is projected to slow to 1.5% in the year to December 2027 from 2.1% in the year to December 2026. Higher oil prices are expected to drive increased consumer prices, with inflation reaching a peak of 3.6% at the end of 2026, prompting the Federal Reserve to raise rates to 4.75-5.00% by March 2027. Labour market conditions are expected to soften, with the unemployment rate rising to 4.5% by the end of 2027, compared to 4.3% the year prior. Against this backdrop, the Federal Reserve is expected to cut rates to 3.75-4.00% by the end of 2027.<br>**Europe**: In this scenario GDP growth is projected to slow to 0.5% in the year to December 2027 from 0.9% the year prior. Unemployment is expected to rise to 6.9% by the end of 2027 from 6.5% in the prior year. |

[1] This number provides comparative ECL provision information as at the reporting date assuming the scenarios outlined, but does not reflect changes in the credit rating of the counterparties that may occur if these scenarios were to occur. Changes in credit ratings may have a material impact on these ECL provisions.

# Note 6

## Expected credit losses continued

### Forward-looking information continued

| Scenario | Weighting | Expectation |
|---|---|---|
| **Severe Downside**<br>A 100% weighting to this scenario would result in an estimated total expected credit loss provision on balance sheet at the reporting date of ~$1,700 million[1] | Unlikely | **Global:** The scenario projects a sharp slowdown in annual real GDP growth, equivalent to a 6.5% deterioration relative to baseline expectations.<br>**Australia:** The scenario projects that economic growth will slow sharply in 2026, expanding by only 0.2%, followed by a contraction of 4.3% in 2027. Inflation is projected to rise to 5.6% at end-2026; the RBA is anticipated to hike rates in response, with the cash rate peaking at 6.1% by March 2027. Rate cuts follow as economic conditions weaken and the labour market softens, with the unemployment rate reaching 8.2% by end-2027. The cash rate is reduced to 3.6% and inflation falls to 2.7% by end-2027. House prices fall a total of 39% from their prior peak.<br>**United States:** The scenario projects the US economy will expand by 1.1% in the year to December 2026 before contracting by 3.3% in the year to December 2027. In response to price pressures, the US Federal Reserve is expected to hike its policy rate by 75 bps by December 2026, followed by further hikes of the same magnitude by March 2027, which brings the policy rate to 5.4%. Weakening labour market conditions prompt an easing cycle by the second half of 2027 and the policy rate falls to 2.75-3.00% by December 2027. Unemployment is projected to reach 8% by the end of 2027.<br>**Europe:** The scenario projects GDP contraction of 0.1% and 4.4% in the year to December 2026 and 2027, respectively. Unemployment is expected to reach 10.1% by the end of 2027, rising from 6.8% in the year prior. |
| **Upside**<br>A 100% weighting to this scenario would result in an estimated total expected credit loss provision on balance sheet at the reporting date of ~$700 million[1] | Unlikely | **Global**: The upside scenario projects annual real GDP growth that is approximately 1 percentage point higher than the baseline.<br>**Australia**: The scenario projects GDP growth will accelerate to 2.7% in the year to December 2027 from 1.6% in the year prior. Housing prices recover partially to end 2026 down by 0.9% year-on-year before a modest recovery, with prices expanding by 1.9% by December 2027. The RBA keeps its cash rate flat to the end of 2027. Unemployment falls to 4.1% by the end of 2027.<br>**United States**: The scenario projects GDP expands by 3.6% in the year to December 2027, an acceleration from 2026 growth of 2.7%. A normalisation of supply chains and reduction in geopolitical risks supports disinflation with consumer prices rising 2.1% and 1.7% in 2026 and 2027, respectively. The Federal Reserve cuts rates in 2027, bringing the policy rate to 3.00-3.25% by December 2027. Labour market conditions improve and unemployment falls to 3.2% by the end of 2027 from 3.8% the prior year.<br>**Europe**: The scenario projects GDP growth of 1.4% and 2.7% in the year to December 2026 and 2027, respectively. As macroeconomic conditions improve, the labour market will tighten at the margin, with the unemployment rate falling to 5.9% by the end of 2027, compared to 6% in the prior year. |

[1] This number provides comparative ECL provision information as at the reporting date assuming the scenarios outlined, but does not reflect changes in the credit rating of the counterparties that may occur if these scenarios were to occur. Changes in credit ratings may have a material impact on these ECL provisions.

## Note 6

### Expected credit losses continued

The table below presents the gross exposure and related ECL allowance for assets measured at amortised cost or FVOCI and undrawn credit commitments subject to the impairment requirements of AASB 9 *Financial Instruments*.

| | GROSS EXPOSURE FOR FINANCIAL ASSETS CARRIED AT | | | | ECL ALLOWANCE ON FINANCIAL ASSETS CARRIED AT | | | |
|---|---|---|---|---|---|---|---|---|
| | Amortised cost | FVOCI | Other | Gross exposure | Amortised cost | FVOCI | Other | Total ECL allowance |
| | $m | $m | $m | $m | $m | $m | $m | $m |
| | | | | | | | | As at 30 Sep 26 |
| Cash and bank balances | **18,282** | **–** | **–** | **18,282** | **–** | **–** | **–** | **–** |
| Cash collateralised lending and reverse repurchase agreements | **20,450** | **57,035** | **–** | **77,485** | **5** | **–** | **–** | **5** |
| Margin money and settlement assets | **20,072** | **–** | **–** | **20,072** | **9** | **–** | **–** | **9** |
| Financial investments | **4,819** | **19,472** | **–** | **24,291** | **5** | **2** | **–** | **7** |
| Other assets | **2,822** | **349** | **–** | **3,171** | **122** | **–** | **–** | **122** |
| Loan assets | **243,047** | **–** | **–** | **243,047** | **696** | **–** | **–** | **696** |
| Due from other Macquarie Group entities | **1,256** | **–** | **–** | **1,256** | **–** | **–** | **–** | **–** |
| Undrawn credit commitments | **–** | **–** | **32,219** | **32,219** | **–** | **–** | **77** | **77** |
| **Total** | **310,748** | **76,856** | **32,219** | **419,823** | **837** | **2** | **77** | **916** |
| | | | | | | | | As at 31 Mar 26 |
| Cash and bank balances | 19,159 | – | – | 19,159 | – | – | – | – |
| Cash collateralised lending and reverse repurchase agreements | 21,048 | 46,298 | – | 67,346 | 6 | – | – | 6 |
| Margin money and settlement assets | 18,863 | – | – | 18,863 | 8 | – | – | 8 |
| Financial investments | 3,395 | 19,887 | – | 23,282 | 2 | 4 | – | 6 |
| Other assets | 2,679 | 399 | – | 3,078 | 66 | – | – | 66 |
| Loan assets | 224,653 | – | – | 224,653 | 613 | – | – | 613 |
| Due from other Macquarie Group entities | 1,418 | – | – | 1,418 | 1 | – | – | 1 |
| Undrawn credit commitments | – | – | 32,367 | 32,367 | – | – | 80 | 80 |
| **Total** | 291,215 | 66,584 | 32,367 | 390,166 | 696 | 4 | 80 | 780 |
| | | | | | | | | As at 30 Sep 25 |
| Cash and bank balances | 20,034 | – | – | 20,034 | – | – | – | – |
| Cash collateralised lending and reverse repurchase agreements | 21,750 | 34,189 | – | 55,939 | 2 | – | – | 2 |
| Margin money and settlement assets | 17,990 | – | – | 17,990 | 21 | – | – | 21 |
| Financial investments | 3,005 | 16,423 | – | 19,428 | 1 | 3 | – | 4 |
| Other assets | 2,750 | 371 | – | 3,121 | 73 | – | – | 73 |
| Loan assets | 198,409 | – | – | 198,409 | 441 | – | – | 441 |
| Due from other Macquarie Group entities | 2,671 | – | – | 2,671 | – | – | – | – |
| Undrawn credit commitments | – | – | 30,834 | 30,834 | – | – | 67 | 67 |
| **Total** | 266,609 | 50,983 | 30,834 | 348,426 | 538 | 3 | 67 | 608 |

## Note 6

### Expected credit losses continued

The table below provides a reconciliation between the opening and closing balance of the ECL allowances:

| | Cash and bank balances $m | Cash collateralised lending and repurchase agreements $m | Margin money and settlement assets $m | Financial investments $m | Other assets $m | Loan assets $m | Due from other Macquarie Group entities $m | Undrawn credit commitments $m | Total $m |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 Apr 2025** | – | 2 | 35 | 7 | 43 | 499 | – | 42 | 628 |
| Credit impairment charges/ (reversals) (Note 2) | – | – | 4 | (3) | 12 | 36 | – | 22 | 71 |
| Amount written off, previously provided for | – | – | (14) | – | (3) | (47) | – | – | (64) |
| Reclassifications, foreign exchange, disposals and other movements | – | – | (4) | – | 21 | (47) | – | 3 | (27) |
| **Balance as at 30 Sep 2025** | – | 2 | 21 | 4 | 73 | 441 | – | 67 | 608 |
| Credit impairment charges/ (reversals) (Note 2) | – | – | (9) | 2 | 15 | 189 | 5 | 18 | 220 |
| Amount written off, previously provided for | – | – | – | – | (1) | (9) | – | – | (10) |
| Reclassifications, foreign exchange, disposals and other movements | – | 4 | (4) | – | (21) | (8) | (4) | (5) | (38) |
| **Balance as at 31 Mar 2026** | – | 6 | 8 | 6 | 66 | 613 | 1 | 80 | 780 |
| Credit impairment charges/ (reversals) (Note 2) | **–** | **–** | **1** | **1** | **63** | **125** | **–** | **(1)** | **189** |
| Amount written off, previously provided for | **–** | **–** | **–** | **–** | **(6)** | **(12)** | **–** | **–** | **(18)** |
| Reclassifications, foreign exchange, disposals and other movements | **–** | **(1)** | **–** | **–** | **(1)** | **(30)** | **(1)** | **(2)** | **(35)** |
| **Balance as at 30 Sep 2026** | **–** | **5** | **9** | **7** | **122** | **696** | **–** | **77** | **916** |

## Note 6

### Expected credit losses continued

#### ECL on loan assets

The table below provides a reconciliation of the ECL allowance on loan assets to which the impairment requirements under AASB 9 *Financial Instruments* are applied.

| | | LIFETIME ECL | | |
|---|---|---|---|---|
| | Stage I 12 month ECL | Stage II Not credit impaired | Stage III Credit impaired | Total ECL allowance |
| | $m | $m | $m | $m |
| **Balance as at 1 Apr 2025** | 218 | 136 | 145 | 499 |
| Transfer during the period | 14 | (16) | 2 | – |
| Credit impairment (reversals)/charges (Note 2) | (31) | 15 | 52 | 36 |
| Amounts written off, previously provided for | – | – | (47) | (47) |
| Reclassifications, foreign exchange and other movements | (22) | (12) | (13) | (47) |
| **Balance as at 30 Sep 2025** | 179 | 123 | 139 | 441 |
| Transfer during the period | 7 | (3) | (4) | – |
| Credit impairment charges (Note 2) | 107 | 22 | 60 | 189 |
| Amounts written off, previously provided for | – | – | (9) | (9) |
| Reclassifications, foreign exchange and other movements | (5) | (1) | (2) | (8) |
| **Balance as at 31 Mar 2026** | 288 | 141 | 184 | 613 |
| Transfer during the period | **12** | **(14)** | **2** | **–** |
| Credit impairment (reversals)/charges (Note 2) | **(40)** | **92** | **73** | **125** |
| Amounts written off, previously provided for | **–** | **–** | **(12)** | **(12)** |
| Reclassifications, foreign exchange and other movements | **(3)** | **–** | **(27)** | **(30)** |
| **Balance as at 30 Sep 2026** | **257** | **219** | **220** | **696** |

## Note 7

### Trading assets

| | As at 30 Sep 26 | As at 31 Mar 26 | As at 30 Sep 25 |
|---|---|---|---|
| | $m | $m | $m |
| Equity securities | **30,637** | 24,716 | 25,366 |
| Debt securities | **7,336** | 5,149 | 7,608 |
| Commodity contracts | **5,333** | 4,042 | 2,992 |
| Commodity inventories | **4,153** | 4,251 | 5,403 |
| **Total trading assets** | **47,459** | 38,158 | 41,369 |

## Note 8
### Margin money and settlement assets

| | As at 30 Sep 26 $m | As at 31 Mar 26 $m | As at 30 Sep 25 $m |
|---|---|---|---|
| Margin money | **16,627** | 15,249 | 14,772 |
| Security settlement assets | **2,238** | 2,821 | 2,376 |
| Commodity settlement assets | **1,234** | 825 | 886 |
| **Total margin money and settlement assets** | **20,099** | 18,895 | 18,034 |

## Note 9
### Derivative assets

| | | | |
|---|---|---|---|
| Held for trading | **40,797** | 41,595 | 23,248 |
| Designated in hedge relationships | **560** | 653 | 895 |
| **Total derivative assets** | **41,357** | 42,248 | 24,143 |

Derivative instruments include futures, forwards and forward rate agreements, swaps and options in the interest rate, foreign exchange, commodity, credit and equity markets for client trading purposes and for hedging risks inherent in other recognised financial instruments as well as forecasted transactions. The Consolidated Entity's approach to financial risk management, as set out in its annual financial report for the year ended 31 March 2026 in Note 30 *Financial risk management*, remained unchanged during the period.

## Note 10
### Deposits

| | | | |
|---|---|---|---|
| Interest bearing deposits at: | | | |
| Call | **180,990** | 166,067 | 149,342 |
| Term | **24,577** | 20,326 | 18,663 |
| Home loan offset deposits at call | **33,059** | 29,814 | 25,811 |
| Non-interest bearing deposits at call | **5,536** | 5,340 | 4,953 |
| **Total deposits** | **244,162** | 221,547 | 198,769 |

## Note 11
### Trading liabilities

| | | | |
|---|---|---|---|
| Equity securities | **12,945** | 12,294 | 11,170 |
| Debt securities | **1** | – | 45 |
| **Total trading liabilities** | **12,946** | 12,294 | 11,215 |

## Note 12
### Margin money and settlement liabilities

| | | | |
|---|---|---|---|
| Margin money | **20,590** | 21,189 | 15,291 |
| Commodity settlement liabilities | **6,194** | 3,798 | 3,211 |
| Security settlement liabilities | **2,269** | 2,675 | 2,269 |
| **Total margin money and settlement liabilities** | **29,053** | 27,662 | 20,771 |

## Note 13

### Derivative liabilities

| | As at 30 Sep 26 $m | As at 31 Mar 26 $m | As at 30 Sep 25 $m |
|---|---|---|---|
| Held for trading | **36,461** | 35,548 | 21,889 |
| Designated in hedge relationships | **1,156** | 799 | 792 |
| **Total derivative liabilities** | **37,617** | 36,347 | 22,681 |

## Note 14

### Issued debt securities and other borrowings

| | As at 30 Sep 26 $m | As at 31 Mar 26 $m | As at 30 Sep 25 $m |
|---|---|---|---|
| Commercial paper | **34,205** | 35,496 | 38,720 |
| Bonds | **31,570** | 30,305 | 27,537 |
| Securitised notes[1] | **10,364** | 9,853 | 9,006 |
| Certificates of deposit | **9,281** | 6,316 | 4,643 |
| Structured notes[2] | **863** | 699 | 663 |
| Other debt securities[2] | **260** | 231 | 404 |
| **Total issued debt securities** | **86,543** | 82,900 | 80,973 |
| Borrowings[1] | **13,577** | 11,699 | 9,815 |
| **Total issued debt securities and other borrowings** | **100,120** | 94,599 | 90,788 |

| **Reconciliation of issued debt securities and other borrowings by major currency** | | | |
|---|---|---|---|
| *(In Australian dollar equivalent)* | | | |
| United States dollar | **58,208** | 57,361 | 55,703 |
| Australian dollar | **22,043** | 18,092 | 16,597 |
| Euro | **16,559** | 15,203 | 14,464 |
| Pound sterling | **1,697** | 2,652 | 2,819 |
| Others | **1,613** | 1,291 | 1,205 |
| **Total issued debt securities and other borrowings** | **100,120** | 94,599 | 90,788 |

[1] Represents payable to note holders and debt holders of instruments issued by consolidated Structured Entities (SEs) for which loan assets are available as security.

[2] Includes a cumulative fair value gain recognised in OCI of $3 million (31 March 2026: $1 million loss; 30 September 2025: $1 million gain) due to changes in own credit risk on issued debt securities measured at DFVTPL.

## Note 15

### Held for sale and other assets

| | As at 30 Sep 26 $m | As at 31 Mar 26 $m | As at 30 Sep 25 $m |
|---|---|---|---|
| **Held for sale assets** | | | |
| Assets held for sale | **-** | - | 1,554 |
| **Total held for sale assets** | **-** | - | 1,554 |
| **Other financial assets** | | | |
| Commodity-related receivables | **4,500** | 4,231 | 3,412 |
| Trade debtors and other receivables | **1,851** | 2,134 | 926 |
| Fee and commission receivables | **117** | 109 | 99 |
| **Total other financial assets** | **6,468** | 6,474 | 4,437 |
| **Other non-financial assets** | | | |
| Income tax receivables | **318** | 208 | 325 |
| Prepayments | **296** | 266 | 407 |
| Indirect tax receivables | **247** | 67 | 118 |
| Interests in associates and joint ventures | **172** | 140 | 568 |
| Intangible assets | **13** | 15 | 24 |
| Other | **203** | 139 | 128 |
| **Total other non-financial assets** | **1,249** | 835 | 1,570 |
| **Total other assets** | **7,717** | 7,309 | 6,007 |

## Note 16

### Other liabilities

| | As at 30 Sep 26 $m | As at 31 Mar 26 $m | As at 30 Sep 25 $m |
|---|---|---|---|
| **Other financial liabilities** | | | |
| Commodity-related payables | **6,301** | 3,973 | 2,820 |
| Trade and other payables | **1,110** | 1,103 | 939 |
| Lease liabilities | **836** | 675 | 733 |
| **Total other financial liabilities** | **8,247** | 5,751 | 4,492 |
| **Other non-financial liabilities** | | | |
| Employment-related liabilities | **1,160** | 1,613 | 921 |
| Provisions[1] | **1,059** | 1,118 | 1,018 |
| Trail commissions payable | **769** | 717 | 487 |
| Accrued charges and other payables | **375** | 374 | 320 |
| Income tax provision[2] | **194** | 249 | 179 |
| Indirect taxes payables | **80** | 199 | 52 |
| Others | **31** | 91 | 72 |
| **Total other non-financial liabilities** | **3,668** | 4,361 | 3,049 |
| **Total other liabilities** | **11,915** | 10,112 | 7,541 |

The table below provides a reconciliation between the opening and closing balance of provisions:

| | Half year to 30 Sep 26 $m | Half year to 31 Mar 26 $m | Half year to 30 Sep 25 $m |
|---|---|---|---|
| Balance at the beginning of the period | **1,118** | 1,018 | 1,161 |
| (Released)/charged to income statement | **19** | 160 | (49) |
| Utilisation during the period | **(55)** | (9) | (69) |
| Foreign exchange movements | **(23)** | (11) | (25) |
| Transfers for transactions under common control | **-** | (40) | - |
| **Balance at the end of the period** | **1,059** | 1,118 | 1,018 |

[1] The Consolidated Entity recognises provisions for a range of matters arising in the ordinary course of business, including operating obligations such as lease restoration obligations and other provisions and civil claims and regulatory enforcement actions. The Consolidated Entity is subject to actual and potential civil claims and regulatory enforcement actions, including matters in the Commonwealth of Australia, the United States of America, the United Kingdom, and the Federal Republic of Germany during the current period. Civil claims may result in settlements or damages awards, while regulatory enforcement actions may result in outcomes such as penalties, fines, disgorgement of profits or non-monetary sanctions, for which provisions have been recognised. The amount and timing of any outcomes are uncertain and may differ from the provisions recognised. Based on existing information and the range of likely outcomes, these matters did not have, and are not currently expected to have, a material impact on the Consolidated Entity. The Consolidated Entity considers the risk of a material adverse effect arising from claims and actions that have not been provided for to be remote.

[2] Revenue authorities undertake risk reviews and audits as part of their normal activities. The Consolidated Entity has assessed these and other taxation claims and litigation, including seeking external advice where appropriate, and considers that it holds appropriate provisions.

# Note 17

## Measurement categories of financial instruments

The following table contains information relating to the measurement categories (i.e. FVTPL, DFVTPL, FVOCI or Amortised cost) of assets and liabilities of the Consolidated Entity. The descriptions of measurement categories are included in Note 41(vii) *Financial Instruments* in the Consolidated Entity's annual financial report for the year ended 31 March 2026.

The methods and significant assumptions that have been applied in determining the fair values of assets and liabilities are disclosed in Note 21 *Fair value of assets and liabilities*.

| | FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE | | | | | | FAIR VALUE OF ITEMS CARRIED AT | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL $m | DFVTPL $m | FVOCI $m | Amortised Cost $m | Non-Financial Instruments $m | Statement of financial position total $m | Fair Value $m | Amortised Cost $m |
| | | | | | | | | As at 30 Sep 26 |
| **Assets** | | | | | | | | |
| Cash and bank balances | 90 | – | – | 18,282 | – | 18,372 | 90 | 18,282 |
| Cash collateralised lending and reverse repurchase agreements | 7,970 | – | 57,035 | 20,445 | – | 85,450 | 65,005 | 20,445 |
| Trading assets[1] | 43,306 | – | – | – | 4,153 | 47,459 | 47,459 | – |
| Margin money and settlement assets | 36 | – | – | 20,063 | – | 20,099 | 36 | 20,063 |
| Derivative assets | 41,357 | – | – | – | – | 41,357 | 41,357 | – |
| Financial investments: | | | | | | | | |
| Equity | 239 | – | – | – | – | 239 | 239 | – |
| Debt[2] | 153 | – | 19,311 | 4,814 | – | 24,278 | 19,464 | 4,814 |
| Other assets | 3,419 | – | 349 | 2,699 | 1,250 | 7,717 | 3,768 | 2,699 |
| Loan assets[2] | 1,295 | – | – | 243,819 | – | 245,114 | 1,295 | 243,743 |
| Due from other Macquarie Group entities[3] | 4,534 | – | – | 1,256 | 190 | 5,980 | 4,534 | 1,256 |
| Property, plant and equipment and right-of-use assets[2] | – | – | – | – | 3,328 | 3,328 | – | – |
| Deferred tax assets | – | – | – | – | 1,105 | 1,105 | – | – |
| **Total assets** | 102,399 | – | 76,695 | 311,378 | 10,026 | 500,498 | 183,247 | 311,302 |
| **Liabilities** | | | | | | | | |
| Deposits | – | – | – | 244,162 | – | 244,162 | – | 244,162 |
| Cash collateralised borrowing and repurchase agreements | – | 5,861 | – | 5,692 | – | 11,553 | 5,861 | 5,692 |
| Trading liabilities | 12,946 | – | – | – | – | 12,946 | 12,946 | – |
| Margin money and settlement liabilities | – | – | – | 29,053 | – | 29,053 | – | 29,053 |
| Derivative liabilities | 37,617 | – | – | – | – | 37,617 | 37,617 | – |
| Other liabilities[4] | – | 6,255 | – | 1,992 | 3,668 | 11,915 | 6,255 | 1,156 |
| Due to other Macquarie Group entities[3] | 2,486 | – | – | 9,499 | 130 | 12,115 | 2,486 | 9,499 |
| Issued debt securities and other borrowings[2] | – | 1,173 | – | 98,947 | – | 100,120 | 1,173 | 99,122 |
| Deferred tax liabilities | – | – | – | – | 10 | 10 | – | – |
| Loan capital[2] | – | – | – | 16,133 | – | 16,133 | – | 16,386 |
| **Total liabilities** | 53,049 | 13,289 | – | 405,478 | 3,808 | 475,624 | 66,338 | 405,070 |

[1] Non-financial assets under 'Trading assets' represent commodities carried at fair value less costs to sell.
[2] Items measured at amortised cost or cost includes, where applicable, fair value hedge accounting adjustments for designated hedged risks.
[3] Due from other Macquarie Group entities and Due to other Macquarie Group entities includes derivatives and trading positions classified as FVTPL. All other intercompany receivables or payables are carried at amortised cost except for non-financial instruments.
[4] The fair value of other liabilities carried at amortised cost excludes lease liabilities.

## Note 17

### Measurement categories of financial instruments continued

| | FINANCIAL INSTRUMENTS CARRIED AT | | | | Non-Financial Instruments | Statement of financial position total | FAIR VALUE OF ITEMS CARRIED AT | |
|---|---|---|---|---|---|---|---|---|
| | FAIR VALUE | | | Amortised Cost | | | | |
| | FVTPL | DFVTPL | FVOCI | | | | Fair Value | Amortised Cost |
| | $m | $m | $m | $m | $m | $m | $m | $m |
| | | | | | | | | As at 31 Mar 26 |
| **Assets** | | | | | | | | |
| Cash and bank balances | 448 | – | – | 19,159 | – | 19,607 | 448 | 19,159 |
| Cash collateralised lending and reverse repurchase agreements | 9,999 | – | 46,298 | 21,042 | – | 77,339 | 56,297 | 21,042 |
| Trading assets[1] | 33,907 | – | – | – | 4,251 | 38,158 | 38,158 | – |
| Margin money and settlement assets | 40 | – | – | 18,855 | – | 18,895 | 40 | 18,855 |
| Derivative assets | 42,248 | – | – | – | – | 42,248 | 42,248 | – |
| Financial investments: | | | | | | | | |
| Equity | 289 | – | – | – | – | 289 | 289 | – |
| Debt[2] | 220 | – | 19,743 | 3,394 | – | 23,357 | 19,963 | 3,394 |
| Other assets | 3,462 | – | 400 | 2,612 | 835 | 7,309 | 3,862 | 2,612 |
| Loan assets[2] | 823 | – | – | 225,388 | – | 226,211 | 823 | 225,319 |
| Due from other Macquarie Group entities[3] | 3,239 | – | – | 1,417 | 163 | 4,819 | 3,239 | 1,417 |
| Property, plant and equipment and right-of-use assets[2] | – | – | – | – | 3,696 | 3,696 | – | – |
| Deferred tax assets | – | – | – | – | 1,153 | 1,153 | – | – |
| **Total assets** | 94,675 | – | 66,441 | 291,867 | 10,098 | 463,081 | 165,367 | 291,798 |
| **Liabilities** | | | | | | | | |
| Deposits | – | – | – | 221,547 | – | 221,547 | – | 221,526 |
| Cash collateralised borrowing and repurchase agreements | – | 1,357 | – | 5,462 | – | 6,819 | 1,357 | 5,462 |
| Trading liabilities | 12,294 | – | – | – | – | 12,294 | 12,294 | – |
| Margin money and settlement liabilities | – | – | – | 27,662 | – | 27,662 | – | 27,662 |
| Derivative liabilities | 36,347 | – | – | – | – | 36,347 | 36,347 | – |
| Other liabilities[4] | 7 | 3,933 | – | 1,813 | 4,359 | 10,112 | 3,940 | 1,138 |
| Due to other Macquarie Group entities[3] | 1,821 | – | – | 13,135 | 89 | 15,045 | 1,821 | 13,135 |
| Issued debt securities and other borrowings[2] | – | 1,003 | – | 93,596 | – | 94,599 | 1,003 | 93,693 |
| Deferred tax liabilities | – | – | – | – | 8 | 8 | – | – |
| Loan capital[2] | – | – | – | 14,068 | – | 14,068 | – | 14,357 |
| **Total liabilities** | 50,469 | 6,293 | – | 377,283 | 4,456 | 438,501 | 56,762 | 376,973 |

[1] Non-financial assets under 'Trading assets' represent commodities carried at fair value less costs to sell.
[2] Items measured at amortised cost or cost includes, where applicable, fair value hedge accounting adjustments for designated hedged risks.
[3] Due from other Macquarie Group entities and Due to other Macquarie Group entities includes derivatives and trading positions classified as FVTPL. All other intercompany receivables or payables are carried at amortised cost except for non-financial instruments.
[4] The fair value of other liabilities carried at amortised cost excludes lease liabilities.

## Note 17

### Measurement categories of financial instruments continued

| | FINANCIAL INSTRUMENTS CARRIED AT | | | | Non-Financial Instruments | Statement of financial position total | FAIR VALUE OF ITEMS CARRIED AT | |
|---|---|---|---|---|---|---|---|---|
| | FAIR VALUE | | | Amortised Cost | | | | |
| | FVTPL | DFVTPL | FVOCI | | | | Fair Value | Amortised Cost |
| | $m | $m | $m | $m | $m | $m | $m | $m |
| | | | | | | | | As at 30 Sep 25 |
| **Assets** | | | | | | | | |
| Cash and bank balances | 493 | – | – | 19,541 | – | 20,034 | 493 | 19,541 |
| Cash collateralised lending and reverse repurchase agreements | 10,167 | – | 34,189 | 21,748 | – | 66,104 | 44,356 | 21,748 |
| Trading assets[1] | 35,966 | – | – | – | 5,403 | 41,369 | 41,369 | – |
| Margin money and settlement assets | 65 | – | – | 17,969 | – | 18,034 | 65 | 17,969 |
| Derivative assets | 24,143 | – | – | – | – | 24,143 | 24,143 | – |
| Financial investments: | | | | | | | | |
| Equity | 219 | – | – | – | – | 219 | 219 | – |
| Debt[2] | 94 | – | 16,377 | 3,004 | – | 19,475 | 16,471 | 3,004 |
| Held for sale and other assets | 2,949 | – | 371 | 2,671 | 1,570 | 7,561 | 3,320 | 2,671 |
| Loan assets[3] | 709 | – | – | 199,080 | – | 199,789 | 709 | 199,080 |
| Due from other Macquarie Group entities[3] | 2,824 | – | – | 2,671 | 285 | 5,780 | 2,824 | 2,671 |
| Property, plant and equipment and right-of-use assets[3] | – | – | – | – | 5,447 | 5,447 | – | – |
| Deferred tax assets | – | – | – | – | 905 | 905 | – | – |
| **Total assets** | 77,629 | – | 50,937 | 266,684 | 13,610 | 408,860 | 133,969 | 266,684 |
| **Liabilities** | | | | | | | | |
| Deposits | – | – | – | 198,769 | – | 198,769 | – | 198,774 |
| Cash collateralised borrowing and repurchase agreements | – | 1,270 | – | 6,555 | – | 7,825 | 1,270 | 6,555 |
| Trading liabilities | 11,215 | – | – | – | – | 11,215 | 11,215 | – |
| Margin money and settlement liabilities | – | – | – | 20,771 | – | 20,771 | – | 20,771 |
| Derivative liabilities | 22,681 | – | – | – | – | 22,681 | 22,681 | – |
| Other liabilities[4] | – | 2,773 | – | 1,719 | 3,049 | 7,541 | 2,773 | 986 |
| Due to other Macquarie Group entities[4] | 1,260 | – | – | 12,019 | 83 | 13,362 | 1,260 | 12,019 |
| Issued debt securities and other borrowings[3] | – | 1,067 | – | 89,721 | – | 90,788 | 1,067 | 89,918 |
| Deferred tax liabilities | – | – | – | – | 18 | 18 | – | – |
| Loan capital[3] | – | – | – | 13,180 | – | 13,180 | – | 13,572 |
| **Total liabilities** | 35,156 | 5,110 | – | 342,734 | 3,150 | 386,150 | 40,266 | 342,595 |

[1] Non-financial assets under 'Trading assets' represent commodities carried at fair value less costs to sell.
[2] Items measured at amortised cost or cost includes, where applicable, fair value hedge accounting adjustments for designated hedged risks.
[3] Due from other Macquarie Group entities and Due to other Macquarie Group entities includes derivatives and trading positions classified as FVTPL. All other intercompany receivables or payables are carried at amortised cost except for non-financial instruments.
[4] The fair value of other liabilities carried at amortised cost excludes lease liabilities.

## Note 18

### Contributed equity

| | As at 30 Sep 26 $m | As at 31 Mar 26 $m | As at 30 Sep 25 $m |
|---|---|---|---|
| Ordinary share capital | **9,879** | 9,879 | 9,879 |
| Other equity | **406** | 385 | 388 |
| **Total contributed equity** | **10,285** | 10,264 | 10,267 |

| | Half year to 30 Sep 26 $m | Half year to 31 Mar 26 $m | Half year to 30 Sep 25 $m |
|---|---|---|---|
| **(i) Ordinary share capital[1,2]** | | | |
| Opening balance of fully paid ordinary shares | | | |
| 696,603,664 of shares issued to parent entity (Macquarie B.H. Pty Ltd) | **9,879** | 9,879 | 9,879 |
| **Closing balance of fully paid ordinary shares** | **9,879** | 9,879 | 9,879 |
| | | | |
| **(ii) Other equity** | | | |
| **Equity contribution from ultimate parent entity** | | | |
| Balance at the beginning of the period | **385** | 388 | 313 |
| Transaction under common control | **–** | – | 59 |
| Change attributable to share-based payment expense including deferred tax[3] | **21** | (3) | 16 |
| **Balance at the end of the period** | **406** | 385 | 388 |

[1] Ordinary shares have no par value.

[2] Macquarie Bank Limited intends to resell all BCN2 loan capital notes, to a nominated purchaser, for $100 each on 21 December 2026, followed by the proposed exchange of all or some of the BCN2 loan capital notes for MGL ordinary shares. If exchanged, the BCN2 loan capital notes will be transferred to MGL and then redeemed by MBL for $100 each, funded by the issuance of an equivalent aggregate amount of ordinary equity by MBL. For further details on BCN2 loan capital notes, refer Note 29 *Loan capital* in the Consolidated Entity's annual financial report for the year ended 31 March 2026.

[3] Capital contribution by ultimate parent MGL towards MEREP awards issued to employees of the Consolidated Entity, where MGL is not subsequently reimbursed by the Consolidated Entity.

# Note 19

## Reserves and retained earnings

| | Half year to 30 Sep 26 $m | Half year to 31 Mar 26 $m | Half year to 30 Sep 25 $m |
|---|---|---|---|
| **(i) Reserves** | | | |
| **Foreign currency translation reserve** | | | |
| Balance at the beginning of the period | **747** | 1,057 | 1,536 |
| Foreign exchange movement on translation and hedge accounting of foreign operations, net of income tax | **(57)** | (307) | (391) |
| Transferred to income statement on disposal of foreign operations, net of income tax | **-** | (3) | (88) |
| **Balance at the end of the period** | **690** | 747 | 1,057 |
| **FVOCI reserve** | | | |
| Balance at the beginning of the period | **(27)** | (34) | (52) |
| Revaluation movement, net of income tax | **15** | 5 | 18 |
| Changes in ECL allowance, net of income tax | **(1)** | 2 | - |
| **Balance at the end of the period** | **(13)** | (27) | (34) |
| **Cash flow hedge reserve** | | | |
| Balance at the beginning of the period | **18** | 89 | 105 |
| Revaluation movement, net of income tax | **(8)** | (44) | 6 |
| Transferred to income statement on realisation, net of income tax | **6** | (27) | (22) |
| **Balance at the end of the period** | **16** | 18 | 89 |
| **Cost of hedging reserve** | | | |
| Balance at the beginning of the period | **(14)** | (18) | (28) |
| Revaluation movement, net of income tax | **(3)** | (2) | 10 |
| Transferred to income statement on realisation, net of income tax | **6** | 6 | - |
| **Balance at the end of the period** | **(11)** | (14) | (18) |
| **Share of reserves in associates and joint ventures and other reserves** | | | |
| Balance at the beginning of the period | **(4)** | 50 | 55 |
| Share of other comprehensive income from associates and joint ventures, net of income tax | **(4)** | (6) | (5) |
| Transferred to income statement on realisation, net of income tax | **-** | (48) | - |
| **Balance at the end of the period** | **(8)** | (4) | 50 |
| **Total reserves at the end of the period** | **674** | 720 | 1,144 |
| **(ii) Retained earnings** | | | |
| Balance at the beginning of the period | **13,596** | 11,299 | 11,179 |
| Profit attributable to the ordinary equity holder of Macquarie Bank Limited | **1,420** | 2,342 | 3,669 |
| Dividends paid on ordinary share capital (Note 20) | **(1,100)** | - | (3,550) |
| Fair value changes attributable to own credit risk on debt classified as DFVTPL, net of income tax | **(1)** | 1 | - |
| Remeasurement of defined benefit plans and others | **-** | (1) | 1 |
| Change attributable to transaction under common control | **-** | (45) | - |
| **Balance at the end of the period** | **13,915** | 13,596 | 11,299 |

## Note 20

### Dividends

| | Half year to 30 Sep 26 $m | Half year to 31 Mar 26 $m | Half year to 30 Sep 25 $m |
|---|---|---|---|
| Dividends paid to the parent entity (Macquarie B.H. Pty Ltd) | | | |
| on 29 June 2026 | **1,100** | – | – |
| on 30 September 2025 | **–** | – | 650 |
| on 29 August 2025 | **–** | – | 2,900 |
| **Total dividends paid (Note 19)** | **1,100** | – | 3,550 |

## Note 21

### Fair value of assets and liabilities

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

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

The values derived from applying these techniques are affected by the choice of valuation model used and the underlying assumptions made regarding such inputs.

Items measured at fair value are categorised in their entirety, in accordance with the levels of the fair value hierarchy as outlined below.

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

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

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

## Note 21

### Fair value of assets and liabilities continued

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 (as disclosed in Note 17 *Measurement categories of financial instruments*).

| Asset or liability | Valuation techniques, inputs and other significant assumptions |
|---|---|
| **Cash and bank balances, Cash collateralised lending and reverse repurchase agreements, Cash collateralised borrowing and repurchase agreements** | The fair value of cash and bank balance, cash collateralised lending and reverse repurchase agreements, cash collateralised borrowing and repurchase agreements approximates their carrying amounts as these are highly liquid and short-term in nature. |
| **Loan assets and Deposits** | The fair value of fixed rate loan assets and term deposits is determined with reference to changes in interest rates and credit spreads.<br>The fair value of variable rate loan assets and deposits approximates their carrying amounts, subject to any adjustment for changes in the credit spreads.<br>The fair value of demand deposits with no fixed maturity approximates their carrying amount as they are short-term in nature or are payable on demand. |
| **Financial investments** | The fair value of liquid assets and other instruments maturing within three months are approximate to their carrying amounts.<br>The fair value of fixed rate debt investments is estimated by reference to current market rates offered on similar securities and the creditworthiness of the borrower.<br>The fair value of variable rate debt investments approximate their carrying amounts, subject to any adjustment for changes in credit spreads. |
| **Issued debt securities and other borrowings, and Loan capital** | The fair value of issued debt securities, borrowings and loan capital is based on quoted prices in active markets, where available. Where quoted prices are not available the fair value is based on discounted cash flows using rates appropriate to the term and incorporates changes in the Consolidated Entity's own credit spread. |
| **Margin money, settlement assets and settlement liabilities, Other financial assets and financial liabilities** | The fair value of margin money, settlement assets, settlement liabilities, other financial assets and financial liabilities approximate their carrying amounts, subject to any adjustment for changes in credit spreads. |

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 |
|---|---|
| **Trading assets, Trading liabilities and Derivatives** | Trading assets, including commodity inventory and commodity contracts, trading liabilities, derivative financial instruments and other transactions undertaken for trading purposes are measured at fair value by reference to quoted prices in active markets where available (for example, listed securities). If quoted prices in active markets are not available, then fair values are estimated on the basis of other recognised valuation techniques that maximise the use of quoted prices and observable market inputs.<br>The Consolidated Entity has incorporated the market implied funding costs for uncollateralised derivative positions as a Funding Valuation Adjustment (FVA). FVA is determined by calculating the net expected exposures at a counterparty level and applying the Consolidated Entity's internal Treasury lending rates as an input into the calculation. The approach takes into account the PD of each counterparty, as well as any mandatory break clauses. |
| **Repurchase and reverse repurchase agreements** | Repurchase and reverse repurchase agreements, being collateralised financing arrangements, are measured at fair value with reference to current market rates and giving consideration to the fair value of securities held or provided as the collateral. |
| **Financial investments** | Financial investments classified as FVTPL or FVOCI are measured at fair value by reference to quoted prices in active markets where available (for example, listed securities). If quoted prices in active markets are not available, the fair values are estimated on the basis of other recognised valuation techniques that maximise the use of quoted prices and observable market inputs. |
| **Loan assets and Issued debt securities and other borrowings** | Fair values of loans and issued debt securities are measured by reference to quoted prices in active markets where available. If quoted prices are not available in active markets, the fair values are estimated with reference to current market rates. |
| **Other financial assets and financial liabilities** | Fair values of other financial assets and financial liabilities are based upon data or valuation techniques appropriate to the nature and type of the underlying instruments. |

For financial assets carried at fair value, in order to measure counterparty credit risk, an adjustment is incorporated into the valuation. Where exposures are managed on a portfolio basis, the adjustment is calculated on a counterparty basis for those exposures. For financial liabilities carried at fair value, in order to measure the Consolidated Entity's non-performance risk, an adjustment is incorporated into the valuations.

## Note 21

### Fair value of assets and liabilities continued

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

To the extent possible, models use only observable market data, however management is required to make assumptions for certain inputs that are not supported by prices from observable current market transactions in the same instrument such as volatility and correlation. Refer to significant unobservable inputs section for further details.

#### Assets and liabilities measured at fair value

The following table summarises the levels of the fair value hierarchy for assets and liabilities that are recognised and measured at fair value in the financial statements:

| | Level 1 $m | Level 2 $m | Level 3 $m | Total $m |
|---|---|---|---|---|
| | | | | As at 30 Sep 26 |
| **Assets** | | | | |
| Cash and bank balances | – | 90 | – | 90 |
| Cash collateralised lending and reverse repurchase agreements | – | 65,005 | – | 65,005 |
| Trading assets | 35,468 | 11,603 | 388 | 47,459 |
| Margin money and settlement assets | – | 36 | – | 36 |
| Derivative assets | 1 | 41,063 | 293 | 41,357 |
| Financial investments | 2,459 | 17,086 | 158 | 19,703 |
| Other assets | – | 3,768 | – | 3,768 |
| Loan assets | – | 822 | 473 | 1,295 |
| Due from other Macquarie Group entities | – | 4,462 | 72 | 4,534 |
| **Total assets** | 37,928 | 143,935 | 1,384 | 183,247 |
| **Liabilities** | | | | |
| Cash collateralised borrowing and repurchase agreements | – | 5,861 | – | 5,861 |
| Trading liabilities | 12,942 | – | 4 | 12,946 |
| Derivative liabilities | 1 | 37,373 | 243 | 37,617 |
| Other liabilities | – | 6,255 | – | 6,255 |
| Due to other Macquarie Group entities | – | 2,337 | 149 | 2,486 |
| Issued debt securities and other borrowings | – | 1,173 | – | 1,173 |
| **Total liabilities** | 12,943 | 52,999 | 396 | 66,338 |

# Note 21

## Fair value of assets and liabilities continued

### Assets and liabilities measured at fair value continued

| | Level 1 $m | Level 2 $m | Level 3 $m | Total $m |
|---|---|---|---|---|
| | | | | As at 31 Mar 2026 |
| **Assets** | | | | |
| Cash and bank balances | – | 448 | – | 448 |
| Cash collateralised lending and reverse repurchase agreements | – | 56,297 | – | 56,297 |
| Trading assets | 28,411 | 8,817 | 930 | 38,158 |
| Margin money and settlement assets | – | 40 | – | 40 |
| Derivative assets | 2 | 41,806 | 440 | 42,248 |
| Financial investments | 5,705 | 14,356 | 191 | 20,252 |
| Other assets | – | 3,845 | 17 | 3,862 |
| Loan assets | – | 736 | 87 | 823 |
| Due from other Macquarie Group entities | – | 3,217 | 22 | 3,239 |
| **Total assets** | 34,118 | 129,562 | 1,687 | 165,367 |
| **Liabilities** | | | | |
| Cash collateralised borrowing and repurchase agreements | – | 1,357 | – | 1,357 |
| Trading liabilities | 12,294 | – | – | 12,294 |
| Derivative liabilities | 12 | 35,829 | 506 | 36,347 |
| Other liabilities | – | 3,931 | 9 | 3,940 |
| Due to other Macquarie Group entities | – | 1,810 | 11 | 1,821 |
| Issued debt securities and other borrowings | – | 1,003 | – | 1,003 |
| **Total liabilities** | 12,306 | 43,930 | 526 | 56,762 |
| | | | | As at 30 Sep 25 |
| **Assets** | | | | |
| Cash and bank balances | – | 493 | – | 493 |
| Cash collateralised lending and reverse repurchase agreements | – | 44,356 | – | 44,356 |
| Trading assets | 29,575 | 10,963 | 831 | 41,369 |
| Margin money and settlement assets | – | 65 | – | 65 |
| Derivative assets | – | 23,864 | 279 | 24,143 |
| Financial investments | 2,653 | 13,704 | 333 | 16,690 |
| Other assets | – | 3,303 | 17 | 3,320 |
| Loan assets | – | 551 | 158 | 709 |
| Due from other Macquarie Group entities | – | 2,814 | 10 | 2,824 |
| **Total assets** | 32,228 | 100,113 | 1,628 | 133,969 |
| **Liabilities** | | | | |
| Cash collateralised borrowing and repurchase agreements | – | 1,270 | – | 1,270 |
| Trading liabilities | 11,113 | 102 | – | 11,215 |
| Derivative liabilities | 5 | 22,310 | 366 | 22,681 |
| Other liabilities | – | 2,767 | 6 | 2,773 |
| Due to other Macquarie Group entities | – | 1,215 | 45 | 1,260 |
| Issued debt securities and other borrowings | – | 1,067 | – | 1,067 |
| **Total liabilities** | 11,118 | 28,731 | 417 | 40,266 |

## Note 21

### Fair value of assets and liabilities continued

#### Reconciliation of balances in Level 3 of the fair value hierarchy

The following table summarises the movements in Level 3 of the fair value hierarchy for the assets and liabilities, measured at fair value on a recurring basis:

| | Trading assets $m | Financial investments $m | Other assets $m | Loan assets $m | Derivative financial instruments (net fair values)[1] $m | Due from/to Macquarie Group entities (net values) $m | Other liabilities $m | Trading liabilities $m | Total $m |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 1 Apr 2025** | 869 | 211 | 10 | 6 | 30 | – | (6) | – | 1,120 |
| Purchases, originations, issuances and other additions | 280 | 148 | 57 | 153 | 59 | (42) | (49) | – | 606 |
| Sales, settlements and repayments | (282) | (53) | (47) | (6) | (3) | 2 | 2 | – | (387) |
| Transfers into Level 3[2] | 27 | 45 | – | – | (33) | 5 | – | – | 44 |
| Transfers out of Level 3[2] | (67) | (14) | (3) | – | (144) | – | 47 | – | (181) |
| Fair value movements recognised in the income statement: | | | | | | | | | |
| Net trading income/(loss)[3] | 4 | (1) | – | (2) | 4 | – | – | – | 5 |
| Other income/(loss) | – | 8 | – | 7 | – | – | – | – | 15 |
| Fair value movements recognised in OCI | – | (11) | – | – | – | – | – | – | (11) |
| **Balance as at 30 Sep 2025** | 831 | 333 | 17 | 158 | (87) | (35) | (6) | – | 1,211 |
| Fair value movements for the period included in the income statement for assets and liabilities held at the end of the period[3] | 13 | 9 | – | 5 | (62) | – | – | – | (35) |
| **Balance as at 1 Oct 2025** | 831 | 333 | 17 | 158 | (87) | (35) | (6) | – | 1,211 |
| Purchases, originations, issuances and other additions | 313 | – | 17 | 91 | 116 | 63 | (3) | – | 597 |
| Sales, settlements and repayments | – | (42) | – | (212) | 22 | (12) | – | – | (244) |
| Transfers into Level 3[2] | – | 12 | – | – | (25) | (5) | – | – | (18) |
| Transfers out of Level 3[2] | (78) | (141) | (7) | – | 18 | – | – | – | (208) |
| Fair value movements recognised in the income statement: | | | | | | | | | |
| Net trading income/(loss)[3] | (136) | (13) | – | (14) | (110) | – | – | – | (273) |
| Other income/(loss) | – | 35 | (10) | 64 | – | – | – | – | 89 |
| Fair value movements recognised in OCI | – | 7 | – | – | – | – | – | – | 7 |
| **Balance as at 31 Mar 2026** | 930 | 191 | 17 | 87 | (66) | 11 | (9) | – | 1,161 |
| Fair value movements for the period included in the income statement for assets and liabilities held at the end of the period[3] | (134) | 21 | (8) | 50 | (110) | – | – | – | (181) |
| **Balance as at 1 Apr 2026** | **930** | **191** | **17** | **87** | **(66)** | **11** | **(9)** | **–** | **1,161** |
| Purchases, originations, issuances and other additions | **280** | **10** | **2** | **426** | **114** | **32** | **4** | **–** | **868** |
| Sales, settlements and repayments | **(564)** | **(59)** | **(8)** | **(99)** | **108** | **(26)** | **11** | **–** | **(637)** |
| Transfers into Level 3[2] | **–** | **22** | **–** | **175** | **(45)** | **(80)** | **(6)** | **(4)** | **62** |
| Transfers out of Level 3[2] | **(109)** | **–** | **(11)** | **(123)** | **(38)** | **(14)** | **–** | **–** | **(295)** |
| Fair value movements recognised in the income statement: | | | | | | | | | |
| Net trading income/(loss)[3] | **(149)** | **(8)** | **–** | **7** | **(23)** | **–** | **–** | **–** | **(173)** |
| Other income/(loss) | **–** | **(2)** | **–** | **–** | **–** | **–** | **–** | **–** | **(2)** |
| Fair value movements recognised in OCI | **–** | **4** | **–** | **–** | **–** | **–** | **–** | **–** | **4** |
| **Balance as at 30 Sep 2026** | **388** | **158** | **–** | **473** | **50** | **(77)** | **–** | **(4)** | **988** |
| Fair value movements for the period included in the income statement for assets and liabilities held at the end of the period[3] | **(149)** | **(10)** | **–** | **7** | **(23)** | **–** | **–** | **–** | **(175)** |

[1] The derivative financial instruments in the table above are represented on a net basis. On a gross basis, derivative assets are $293 million (31 March 2026: $440 million; 30 September 2025: $279 million) and derivative liabilities are $243 million (31 March 2026: $506 million; 30 September 2025: $366 million).

[2] Assets and liabilities transferred into or out of Level 3 are presented as if those assets or liabilities had been transferred at the beginning of the period.

[3] The Consolidated Entity employs various hedging techniques in order to manage risks including foreign exchange risks in Level 3 positions. The gains and losses relating to such hedging techniques, may include the purchase or sale of financial instruments measured at fair value that are classified as Level 1 or 2 positions or foreign currency financial instruments measured at amortised cost that are not presented in the table above.

# Note 21

## Fair value of assets and liabilities continued

### Significant transfers between levels of the fair value hierarchy

During the period, the Consolidated Entity did not have significant transfers between Level 1 and 2.

Transfers into Level 3 were due to the lack of observable valuation inputs for certain investments and trading balances. Transfers out of Level 3 were principally due to valuation inputs becoming observable during the period.

### Unrecognised gains or losses

The best evidence of fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only data from observable markets (or when inputs from unobservable markets are insignificant). Where such alternative evidence exists, the Consolidated Entity recognises profit or loss immediately when the asset or liability is recognised ('day 1 profit or loss'). When significant unobservable inputs are used to determine fair value, the day 1 profit or loss is deferred and is recognised in the income statement over the life of the transaction or when the inputs become observable.

The table below summarises the deferral and recognition of profit or loss where a valuation technique has been applied in which significant unobservable inputs are used:

| | **Half year to 30 Sep 2026 $m** | Half year to 31 Mar 2026 $m | Half year to 30 Sep 2025 $m |
|---|---|---|---|
| Balance at the beginning of the period | **117** | 94 | 350 |
| Deferred gain on new transactions and other adjustments | **28** | 53 | 55 |
| Foreign exchange and other movements | **(1)** | (2) | (2) |
| Recognised in net trading income during the period[1] | **(35)** | (28) | (124) |
| Recognised under net investment income under common control transaction | **–** | – | (185) |
| **Balance at the end of the period** | **109** | 117 | 94 |

[1] Includes amortisation, subsequent realisation due to unobservable inputs becoming observable, maturity and termination.

## Note 21

### Fair value of assets and liabilities continued

#### Significant unobservable inputs

The following table contains information about the significant unobservable inputs used in Level 3 valuations, and the valuation techniques used to measure fair value. The range of values represent the highest and lowest input used in the valuation techniques. The range does not reflect the level of uncertainty regarding a particular input, but rather the different underlying characteristics of the relevant assets and liabilities.

| | Assets $m | Liabilities $m | Valuation technique(s) | Significant unobservable inputs | RANGE OF INPUTS Minimum value | RANGE OF INPUTS Maximum value |
|---|---|---|---|---|---|---|
| | | | | | | As at 30 Sep 26 |
| Commodities | **657** | **367** | **Pricing model** | **Commodity margin curves** | **$(272.3)** | **$3,505.8** |
| | | | **Pricing model** | **Commodity prices** | **$0.0** | **$2,535.6** |
| | | | **Pricing model** | **Correlation** | **(25.0%)** | **89.0%** |
| | | | **Pricing model** | **Volatility and related variables** | **25.0%** | **110.0%** |
| Equity and equity-linked products | **170** | **11** | **Net asset value (NAV)** | **Fund's NAV[1]** | **–** | **–** |
| Interest rate and other products | **557** | **18** | **Pricing model** | **Bond yield** | **4.3%** | **4.4%** |
| | | | **Pricing model** | **Bond price** | **$9.7** | **$104.3** |
| **Total** | **1,384** | **396** | | | | |
| | | | | | | As at 31 Mar 26 |
| Commodities | 1,296 | 505 | Pricing model | Commodity margin curves | $(52.6) | $52.6 |
| | | | Pricing model | Correlation | 0.0% | 80.0% |
| | | | Pricing model | Volatility and related variables | 23.0% | 113.0% |
| Equity and equity-linked products | 136 | 3 | Net asset value (NAV) | Fund's NAV | – | – |
| Interest rate and other products | 255 | 18 | Pricing model | Bond yield | 3.5% | 4.1% |
| | | | Pricing model | Bond price | $14.0 | $71.5 |
| **Total** | 1,687 | 526 | | | | |
| | | | | | | As at 30 Sep 25 |
| Commodities | 966 | 340 | Pricing model | Commodity margin curves | $(37.8) | $79.7 |
| | | | Pricing model | Commodity prices | $106.7 | $293.7 |
| | | | Pricing model | Correlation | (50.0%) | 99.3% |
| | | | Pricing model | Volatility and related variables | 17.0% | 90.0% |
| Equity and equity-linked products | 185 | 11 | Net asset value (NAV) | Fund's NAV | – | – |
| Interest rate and other products | 477 | 66 | Pricing model | Bond yield | 2.4% | 3.4% |
| | | | Pricing model | Bond price | $30.0 | $100.1 |
| **Total** | 1,628 | 417 | | | | |

[1] The range of inputs in NAV is not disclosed as the diverse nature of the underlying investments results in a wide range of inputs.

## Note 21

### Fair value of assets and liabilities continued

The following information contains details around the significant unobservable inputs which are utilised to fair value the Level 3 assets and liabilities.

#### Commodities

**Commodity margin curves**: Certain commodities are valued using related observable products from the market and a margin is applied to the observable market inputs to mitigate the impact of differences in the products. Judgement is involved in the calculation of these margin curves depending on the quality of the commodity or delivery location and other economic conditions.

**Commodity prices:** Certain commodities have unobservable and less liquid spot and forward markets where the pricing involves judgement considering qualitative aspects of the underlying commodity, limited broker data, historical transactions and/or forecasts considering current and future market conditions.

**Correlation**: Correlation is a measure of the relationship between the movements of input variables (i.e. how the change in one variable influences a change in the other variable). It is expressed as a percentage between –100% and +100%, where +100% represents perfectly correlated variables and -100% represents inversely correlated variables. Correlation is a key input into the valuation of derivatives with more than one underlying (e.g., interest rates, credit spreads, foreign exchanges rates, inflation rates or equity prices) and is generally used to value hybrid and exotic instruments.

**Volatility**: Volatility is a measure of the variability or uncertainty in returns for a given underlying input and is generally expressed as a percentage, which represents an estimate of the amount a particular underlying instrument, parameter or index will change in value over time. Volatility is an input in the valuation of derivatives containing optionality. Volatility is impacted by the underlying risk, term and strike price of a derivative.

Correlations and volatilities are derived through the extrapolation of observable volatilities, recent transaction prices, quotes from other market participants and historical data adjusted for current conditions.

#### Equity and equity-linked products

Unlisted equity securities are generally valued based on earnings or revenue multiples, referencing market transactions which are not directly comparable or quantifiable and are adjusted as appropriate for current economic conditions. Other significant unobservable inputs may include NAV and discount rates determined using inputs specific to the underlying investment and forecast cash flows and earnings/revenues of investee entities.

#### Interest rates and other products

Significant unobservable inputs may include bond yield, bond price and credit spreads of counterparties. Bond yield is the return an investor expects to receive each year over its term. The yield of an instrument is not always observable in the market. Adjusted yield is generally used to discount the projected future principal and interest cash flows on instruments. Credit spread is the premium over a benchmark interest rate required by the market to accept lower credit quality which increase the discount factor applied to future cashflows thereby reducing the value of asset. Credit spreads may be implied from the market prices and may not be observable in more illiquid markets.

## Note 21

### Fair value of assets and liabilities continued

#### Sensitivity analysis of valuations using unobservable inputs

The table below shows the sensitivity to reasonably possible alternative assumptions for Level 3 assets and liabilities whose fair values are determined in whole, or in part, using unobservable inputs. The impact of the sensitivity of instruments which hedge the Level 3 positions but are classified as Level 1 or 2 is not included in the table below:

| | FAVOURABLE CHANGES | UNFAVOURABLE CHANGES |
|---|---|---|
| | Profit or loss | Profit or loss |
| | $m | $m |
| **Product type** | | As at 30 Sep 26 |
| Commodities | **77** | **(45)** |
| Interest rate and other products | **10** | **(47)** |
| Equity and equity-linked products | **24** | **(17)** |
| **Total** | **111** | **(109)** |
| **Product type** | | As at 31 Mar 26 |
| Commodities | 112 | (153) |
| Interest rate and other products | 25 | (42) |
| Equity and equity-linked products | 24 | (18) |
| **Total** | 161 | (213) |
| **Product type** | | As at 30 Sep 25 |
| Commodities | 73 | (68) |
| Interest rate and other products | 34 | (51) |
| Equity and equity-linked products | 28 | (18) |
| **Total** | 135 | (137) |

The favourable and unfavourable changes from using reasonably possible alternative assumptions for the valuation of the above product types have been calculated by recalibrating the valuation model using stressed significant unobservable inputs within the Consolidated Entity's range of reasonably possible estimates.

## Note 22

### Commitments and contingent liabilities

| | As at 30 Sep 26 $m | As at 31 Mar 26 $m | As at 30 Sep 25 $m |
|---|---|---|---|
| **Credit risk-related exposures** | | | |
| Undrawn credit facilities and debt commitments[1] | **29,317** | 29,335 | 28,297 |
| Letters of credit and guarantees | **2,902** | 3,032 | 2,537 |
| **Total credit risk-related exposures** | **32,219** | 32,367 | 30,834 |
| **Other commitments and contingent liabilities** | | | |
| Performance-related contingencies | **466** | 453 | 586 |
| Asset development and purchase commitments | **81** | 26 | 128 |
| **Total other commitments and contingent liabilities** | **547** | 479 | 714 |
| **Total commitments and contingent liabilities** | **32,766** | 32,846 | 31,548 |

## Note 23

### Events after the reporting date

There were no material events subsequent to 30 September 2026 and up until the authorisation of the financial statements for issue, requiring a disclosure in the interim financial report, other than those that have been disclosed elsewhere in the financial statements.

[1] Undrawn credit facilities include fully or partially undrawn commitments against which clients can borrow money under defined terms and conditions. Balance includes revocable undrawn commitments for certain retail banking products $19,875 million (31 March 2026: $20,469 million; 30 September 2025: $19,144 million), which are considered to be exposed to credit risk.

# Directors' declaration

For the half year ended 30 September 2026

In the Directors' opinion:

(a) the financial statements and notes set out on pages 19 to 59 are in accordance with the *Corporations Act 2001* (Cth) including:
   (i) complying with the Australian Accounting Standards, and
   (ii) giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2026 and performance for the half year ended on that date, and

(b) there are reasonable grounds to believe that Macquarie Bank Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the CEO and CFO in line with the requirements for the full year under section 295A of the *Corporations Act 2001* (Cth). This declaration is made in accordance with a resolution of the Directors.



**Glenn Stevens AC**
Independent Director and Chair



**Stuart Green**
Managing Director and Chief Executive Officer

Sydney
6 November 2026

# Independent auditor's review report

To the member of Macquarie Bank Limited

## Report on the half-year financial report

### Conclusion

We have reviewed the half-year financial report of Macquarie Bank Limited (the Company) and the entities it controlled during the half-year (together the Consolidated Entity), which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position as at 30 September 2026, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Macquarie Bank Limited does not comply with the *Corporations Act 2001* (Cth) including:

- giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2026 and of its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth).

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report.

We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* (Cth) and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001* (Cth), including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* (Cth) including giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2026 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth).

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

**Voula Papageorgiou**
Partner

Sydney
6 November 2026

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, NSW 2000
GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, **www.pwc.com.au**
Liability limited by a scheme approved under Professional Standards Legislation.

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# Contact details

**Macquarie Bank Limited**
**Principal Administrative Office**
Level 1, 1 Elizabeth Street
Sydney, NSW 2000
Australia
Tel: (61 2) 8232 3333

**Registered Office**
**Macquarie Bank Limited**
Level 1, 1 Elizabeth Street
Sydney, NSW 2000
Australia
Tel: (61 2) 8232 3333

macquarie.com

