

Tax Transparency

Macquarie Group

Year ended 31 March 2025

Basis of preparation

Macquarie Group Limited and its subsidiaries (Macquarie, MGL, the Group) support the Australian Government's commitment for greater Australian corporate tax transparency, as actioned through the Australian Board of Taxation's voluntary Tax Transparency Code (the Code).

The Tax Transparency report (the report) has been prepared to meet the requirements of the Code, and includes details of:

- Macquarie's approach to tax including its tax policy, strategy and governance and its international related party dealings.
- Macquarie's operations including details of Macquarie's effective tax rate (ETR) and tax contribution.

The report covers the year ended 31 March 2025 (FY25) and the comparative period 31 March 2024 (FY24) and is presented in Macquarie Group's functional currency, Australian dollars (\$A). Amounts have been rounded to the nearest million unless otherwise specified.

The report has been prepared in accordance with the Appendix to the Code issued by the Australian Accounting Standards Board and, where applicable, references financial information disclosed in Macquarie's 2025 Annual Financial Report. This can be found on Macquarie's website at macquarie.com/au/en/investors/results.

Approach to tax

Tax policy, strategy, and governance

Tax Risk is recognised as a material risk in Macquarie's risk management framework. As a result, Macquarie's approach to managing tax risk is documented in [Macquarie's Group Tax Policy](#)¹ (the policy).

The policy outlines the principles that govern Macquarie's approach to Tax risk including the framework by which Macquarie's operational and risk management obligations are met. Tax issues and risks are regularly considered with the Chief Financial Officer (CFO) and escalated to the MBL and MGL Executive Committees and Board Audit Committees (BAC) as appropriate. The CFO, with the assistance of the Head of Tax, reports to the MGL and MBL BACs at least annually in relation to tax matters and tax governance. The Chief Risk Officer is also consulted on relevant tax issues.

The key principles that govern Macquarie's approach to Tax Risk include:

- Identification, assessment, control and reporting of Tax Risk.
- Compliance with laws, regulations, administrative requirements and required disclosures to Revenue Authorities.
- Documented and regularly maintained policies and procedures in relation to Tax Risk management.
- Integrity of our tax data, compliance and reporting systems.
- Open, transparent and professional relationships with Revenue Authorities, both local and international.
- Resolution of outstanding issues with Revenue Authorities as effectively as possible.
- Undertaking international related party transactions based on commercial considerations and in accordance with arm's length principles.

While Macquarie may be entitled to tax concessions in the course of its normal business, there is no appetite for any transaction that is motivated by the avoidance of tax.

Moreover, Macquarie will not finance or in any other way support transactions where the objective of any of the parties might reasonably be expected to be the obtaining of a dividend withholding tax benefit.

Macquarie employs robust compliance procedures to enable the preparation of accurate and complete tax returns and other reporting. In Australia, the Australian Taxation Office (ATO) has issued a Pre-lodgement Compliance Review and GST Assurance Review Framework (PCR Framework) to Macquarie. The PCR Framework documents the ATO's engagement and assurance approach for income tax, goods and services tax and the Major Bank Levy. The PCR Framework demonstrates Macquarie's positive and proactive relationship with the ATO.

In the event of a tax uncertainty, Macquarie may engage with Revenue Authorities and seek comprehensive advice from external tax advisors.

¹ macquarie.com/assets/macq/about/disclosures/disclosures-macquarie-group-tax-policy.pdf

International related party dealings

As an Australian headquartered global integrated business, the Australian operations have significant dealings (including through foreign branches) with offshore related parties that impact the taxable position of the MGL Australian Tax Consolidated Group (TCG).

Related party dealings include dealings with entities resident in the United States, United Kingdom, Singapore, Hong Kong, India and the Philippines.

Related party dealings giving rise to income and expenses in the MGL Australian TCG include:

- Revenue and profit-sharing arrangements for globally integrated businesses.
- Service arrangements including the provision of information technology and software development services, the provision of management and administrative services, together with asset management services.
- Derivative transactions as part of our global trading activities.
- Financing and related activities, including amounts borrowed and loaned.

Macquarie has sought to enter into advance pricing arrangements on either a bilateral or unilateral basis to manage and mitigate transfer pricing risk.

In FY25, Macquarie lodged its 8th Country-by-Country (CbC) report for FY24 with the ATO. CbC reporting discloses financial, economic, and tax-related information for each jurisdiction in which Macquarie operates.

International tax and tax transparency developments

Pillar 2

Macquarie continues to monitor the global progress toward the enactment of the Organization of Economic Cooperation and Development's Inclusive Framework's model rules on a global minimum tax (Pillar 2). Pillar 2 sets out global minimum tax rules designed to ensure that large multinational businesses pay a minimum effective rate of tax of 15% on a jurisdictional basis. Certain jurisdictions in which Macquarie operates have enacted these rules with operational effect for accounting periods beginning on or after 1 January 2024. Further information around Macquarie's Pillar 2 project and the impact of these changes can be found in Note 1 (iv) and Note 4 of the Financial Report.

In relation to Australia, on 23 December 2024, the Australian Government registered the *Taxation Multinational Global and Domestic Minimum Tax Rules*. This followed the enactment of the primary legislation which received Royal Assent on 10 December 2024. This finalises the implementation of the OECD's Pillar Two global minimum tax legislation in Australia and the Income Inclusion Rule and Domestic Minimum Tax are considered enacted for Macquarie's FY25 financial year and included in our disclosure in Note 4.

Public Country-by-Country Reporting

On 10 December 2024, the *Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024* containing the Australian public country-by-country (Public CbC) reporting rules received Royal Assent. Broadly, these measures will require large multinational groups to publicly disclose certain tax information on a country-by-country basis for reporting periods starting on or after 1 July 2024. As a result, this will take effect from Macquarie's 31 March 2026 financial year. The information included in the Public CbC submission will be published on an Australian government website by the Commissioner of Taxation.

The European Union has also introduced new Public CbC Reporting requirements for multinational enterprises (MNEs) effective for fiscal years beginning on or after 22 June 2024. These rules mandate that MNE's with consolidated revenues exceeding EUR 750 million disclose specific tax information annually in a machine-readable format, accessible to the general public via an official EU register and a free accessible website. For Macquarie, this will result in information relating to the year ended 31 March 2026 to be publicly disclosed.

Consolidated Entity Disclosure Statement

Macquarie is required to comply with additional disclosures in relation to the *Treasury Laws Amendment (Making Multinationals Pay Their Fair Share—Integrity and Transparency) Bill 2023*, which received Royal Assent on 8 April 2024.

Australian public companies are required to disclose information about their subsidiaries in their annual financial reports in a 'Consolidated Entity Disclosure Statement' (CEDS). Macquarie has included this statement in its annual Financial Report for the year ending 31 March 2025.

Tax contribution

Macquarie's operations

Macquarie is a global financial services group operating in 31 markets. MGL, together with all eligible Australian resident wholly owned subsidiaries of MGL, comprise a Tax Consolidated Group with MGL as the head entity. Further details of Macquarie's taxation accounting policy and subsidiaries can be sourced from Note 1 and the CEDS included in the Financial Report.

The distribution of taxes paid by Macquarie reflects the geographic spread of Macquarie's business. In operating its business globally, Macquarie has subsidiaries resident in many countries. The location of the subsidiaries reflects commercial considerations and global client needs. Each of these subsidiaries is subject to the taxation laws of the countries in which they are resident and the overlay of Australia's comprehensive international taxation regime.

Income Tax Expense & Effective Tax Rate

Macquarie's Group ETR² for year ended 31 March 2025 is 26.2% (FY24: 26.8%) and 27.5% for the Australian region (FY24: 33.8%). Macquarie's ETR is largely driven by the geographical mix of income and nature of earnings.

Approximately 66%³ of Macquarie's income during FY25 was earned by businesses outside Australia (FY24: 66%).

The amount of income tax paid will be different to the income tax expense used in calculating Macquarie's ETR in any given period, largely because of the impact of differences between when an amount of revenue or expense is recognised for accounting purposes and when income and deductions are recognised under the tax laws in the various jurisdictions in which Macquarie operates.

The following table provides a reconciliation, on a global basis, of operating profit to income tax expense, and from income tax expense to income tax paid, in accordance with the Code.

Reconciliation of operating profit to income tax expense	March 2025 \$Am	March 2024 \$Am
Operating profit before income tax	5,068	4,826
<i>Prima facie</i> income tax expense on operating profit ⁴	(1,520)	(1,448)
Permanent differences:		
Rate differential on offshore income	372	229
Other items	(178)	(72)
Total income tax expense	(1,326)	(1,291)

² ETR is calculated as total income tax expense divided by the accounting pre-tax profit.

³ Calculated as international income/total income (excluding earnings on capital and other corporate items).

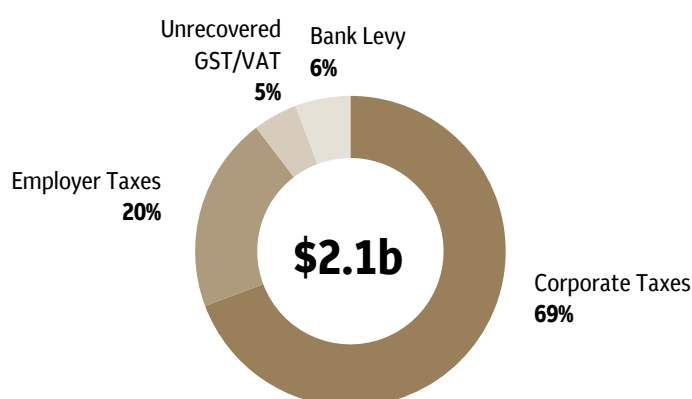
⁴ *Prima facie* income tax on operating profit is calculated at the rate of 30% (2024: 30%).

Reconciliation of income tax expense to cash taxes paid	March 2025	March 2024
Total tax expense	(1,326)	(1,291)
Movement in current tax payable	123	(302)
Movement in tax receivables	(306)	(22)
Other balance sheet movements	102	9
Temporary differences:		
Interests in financial investments, associates and joint ventures	(125)	206
Property, plant and equipment	55	(15)
Operating and finance leases	20	(58)
Loan assets and derivatives	(16)	(19)
Tax Losses	74	(147)
Other assets and liabilities	(29)	91
Intangible assets	(41)	(85)
Total Corporate income tax cash paid	(1,469)	(1,633)

Taxes paid

The below table and graph show the total of corporate and other taxes paid in Australia and New Zealand (ANZ) and offshore.

	FY25			FY24		
	ANZ	Offshore	Total	ANZ	Offshore	Total
Corporate Taxes	519	950	1,469	503	1,130	1,633
Employer Taxes	139	293	432	141	289	430
Unrecovered GST/VAT	53	45	98	62	93	155
Bank Levy ⁵	122	0	122	108	0	108
Total	833	1,288	2,121	814	1,512	2,326



⁵ The above numbers include the amount of the Major Bank Levy expected to be paid by Macquarie. This amount is treated as a finance cost and is recognised in Macquarie's Financial Report as interest expense. The Major Bank Levy came into effect from 1 July 2017 and applies to certain liabilities at the rate of 0.06% p.a.

Taxes collected

During 2025, Macquarie also collected a range of taxes on behalf of governments in the countries where we operated.

The below table shows the total of these taxes collected by tax type:

	FY25				FY24		
	ANZ	Offshore	Total		ANZ	Offshore	Total
Indirect Taxes	417	39,042	39,459		446	22,288	22,734
Employee Taxes	769	1,301	2,070		834	1,598	2,432
Total	1,186	40,343	41,529		1,280	23,886	25,166

Australian Tax Return information

In November 2024, the ATO released their 2023 Corporate Tax Transparency report⁶ which contained the following information for the MGL TCG 2022-23 year:

	2022-23	2021-22
Total income	19,838	13,799
Taxable income	1,929	1,762
Tax payable	448	437
Tax payable to income ratio	23.2%	24.8%
Australian taxpayer rank by tax payable	36th	25th

Macquarie's prima facie Australian tax payable is 30% of taxable income, however the ratio of tax payable to taxable income was 23.2% in 2022-23 year. This difference reflects offsets in respect of foreign income tax, franking credits and research and development reducing Australian tax payable.

Research & Development (R&D) Tax Incentive

In early October 2024, the ATO released the *R&D Tax Incentive Transparency Report 2021-22*⁷ and dataset. This marked the first annual R&D tax transparency disclosure aimed at improving accountability and compliance in this area. As the dataset was limited to companies whose income year began on or after 1 July 2021, Macquarie was not included in this dataset. It is expected that Macquarie's R&D Tax Incentive claim details for the year ended 31 March 2023 will be included in the 2022-23 report expected to be published in September 2025.

⁶ data.gov.au/data/dataset/corporate-transparency

⁷ data.gov.au/data/dataset/research-and-development-tax-incentive

Disclosure

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

Unless otherwise specified all information is for the full year ended 31 March 2025. Certain financial information in this document is prepared on a different basis to the Financial Report within the Macquarie Group Annual Report for the year ended 31 March 2025, which is prepared in accordance with Australian Accounting Standards.

This document provides further detail in relation to key elements of Macquarie's financial performance and financial position. Any additional financial information in this document, which is not included in the Financial Report, was not subject to independent audit or review by PricewaterhouseCoopers. Numbers are subject to rounding and may not fully reconcile. Other than Macquarie Bank Limited ABN 46 008 583 542 ("MBL"), any Macquarie group entity noted in this document is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Cth). That entity's obligations do not represent deposits or other liabilities of MBL and MBL does not guarantee or otherwise provide assurance in respect of the obligations of that entity. Any investments are subject to investment risk including possible delays in repayment and loss of income and principal invested.