



2025 Annual Report

Macquarie Bank | Year ended 31 March 2025

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Shani

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“
We just couldn't scale our business without the support of Macquarie and the connectivity we get from their Cash Management, Accelerator and Term Deposit accounts.”

Charlie
Private Wealth customer

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 ABN 46 008 583 542 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

Award-winning banking, Australia

Banking and Financial Services delivers award-winning personal banking, business banking and wealth management experiences to approximately 2 million Australians, empowering them to build, manage and protect their financial future with confidence.



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01

About

“

“I found the experience with Macquarie was easy in the beginning, it was easy in the middle, and it continues to be easy now.”

Laura, Macquarie Bank home loan customer



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Laura



“

Our business delivered resilient growth and a solid net profit contribution as it benefitted from the longstanding client relationships, upgrading of our platforms and technologies and ongoing strengthening of the MBL franchise that we have invested in over a number of years.”

Letter from the

Managing Director and CEO

The global economy continues to traverse a period of prolonged uncertainty, with conditions remaining challenging for businesses and consumers across many of Macquarie Bank Limited's (MBL) markets.

As primarily a relationship-driven business, our approach is centred on close client engagement and providing proactive, tailored solutions that support clients in managing their businesses and finances, overcoming challenges and realising opportunities.

In FY2025, our business delivered a solid net profit contribution as it benefitted from the longstanding client relationships, upgrading of our platforms and technologies and ongoing strengthening of the MBL franchise that we have invested in over a number of years.

Macquarie Bank's consolidated net profit attributable to the ordinary equity holder of \$A3,445 million for the year ended

31 March 2025 increased 18% from \$A2,912 million in the prior year.

Banking and Financial Services (BFS), our Australian retail banking business, which provides a range of digital-first personal banking, business banking and wealth management products and services, benefitted from growth in its loan portfolios, deposits and platform volumes, which offset continued margin pressure from evolving market dynamics.

Commodities and Global Markets (CGM), our global business providing solutions across commodities, financial markets and asset finance, delivered a net profit contribution that was down on the prior year, due to a decreased contribution from Commodities as a result of subdued conditions across certain commodity markets.

MBL's strong and conservative balance sheet, our disciplined approach to risk management and diverse business mix, together with our innovative and entrepreneurial culture, position us well to continue to meet our clients' evolving needs and deliver strong growth over the medium term.

Investing in technology and innovation

As I highlighted this time last year, both CGM and BFS continue to make significant investment in their technology and platforms to enable them to deliver client-centric growth and innovation.

BFS is investing in digitalisation and automation to deliver scalability, resilience and reliability, along with deep analytics capabilities, such as machine learning, that allow it to identify opportunities for new product development and continuous enhancements in the digital experience. In a highly competitive industry, it was pleasing to see Macquarie Bank recognised as Money's 2024 Bank of the Year for the second year in a row.

CGM has established a new Data, Digital, Design and Engineering function, which strategically aligns the CGM Data and Technology team, to focus on simplification of systems and architecture, and the use of new disruptive technologies to strengthen controls and drive growth. CGM is also investing in its pre-trade analytics capabilities to bring about more competitive opportunities for the business through the combination of historical market data and market expertise.

Strengthening MBL's foundations

We continue to make significant progress across all focus areas of the remediation plan agreed with APRA to strengthen MBL's governance, structure, remuneration and risk culture, to ensure full and ongoing compliance with prudential standards. We are seeing the benefits of these changes across our business, and in FY2025, we closed out additional actions, further strengthening our systems, frameworks and processes, and enhancing our risk culture.

We acknowledge the additional conditions imposed by ASIC on MBL's Australian financial services licence following compliance failures in Macquarie's futures dealing business and its over-the-counter (OTC) derivatives trade reporting. We take our role as a licenced entity extremely seriously, including the importance of ensuring the integrity of the markets in which it operates and learning from instances where compliance has been inadequate. In addition to working constructively with ASIC on these remediation activities, MBL continues to invest in a broader range of existing programs to strengthen its systems, controls and supervisory arrangements.

Since the establishment of the MBL CEO office and appointment of bank-only non-executive directors (BONDS) in 2022, we have enhanced our safeguards to protect the interests of MBL within the broader Macquarie Group, including strengthening the voice of Macquarie Bank on potential conflict or contagion matters and the management of MBL risks. In FY2025, Michael Coleman retired from his position as a BOND, and I would like to thank Michael for his significant contribution and commitment during his tenure with Macquarie.

Over the past year, I have spent time working with both the MBL London Branch and the Macquarie Bank Europe businesses, supporting the delivery of structural changes and uplifting of controls, processes and risk mitigations, and strengthening stakeholder relations in the region. This market is a growth opportunity for CGM, and these actions will strengthen the foundations of the businesses that will support growth into the future.

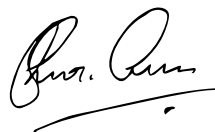
Well positioned for future growth opportunities

Longstanding fundamentals, including our robust and conservative balance sheet, the diversity of our operations, strong capitalisation and prudent risk management, position MBL to maintain our strong support to our clients and customers in adapting to changes in the external environment and capitalising on commercial opportunities.

In BFS, this includes delivering growth through expanding our intermediary and direct retail client distribution, and modernising technology to continuously improve the customer experience and support scalable growth.

CGM's focus remains on enhancing client reach across our existing businesses while expanding its offering into new products and markets and exploring and investing in emerging opportunities across its Commodities, Financial Markets and Asset Finance businesses.

Finally, I would like to extend my deepest gratitude to our employees for their ongoing commitment and dedication in FY2025. It's the diversity of our people and the unique ideas, expertise and perspectives they bring that underpin our success and ensure we deliver for our clients and communities.



Stuart Green
Managing Director and Chief Executive Officer

Sydney
9 May 2025

Financial highlights

FY2025 net profit¹

\$A3,445m

↑ 18% on prior year

FY2025 net operating income

\$A11,920m

↑ 3% on prior year

FY2025 operating expenses

\$A7,479m

broadly in line with the prior year

BFS clients

~ 2.0m

CGM celebrates

45+ years

of client partnerships

BFS deposits

\$A172.4b

↑ 21% on prior year

BFS home loan portfolio

\$A141.7b

↑ 19% on prior year

CGM traded

7.4bcf

of natural gas volume
across North America daily

¹ Net profit is profit after tax attributable to ordinary equity holder of Macquarie Bank Limited.

Operating and financial review

Our business

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.



Further information is also available at

macquarie.com/company

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

Operating and financial review

Our business continued

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

Operating Groups

Banking and Financial Services (BFS)

BFS provides a diverse range of personal banking, wealth management and business banking products and services to retail clients, advisers, brokers and business clients.

Commodities and Global Markets (CGM)

CGM is a global business offering capital and financing, risk management, market access, physical execution and logistics solutions to its diverse client base across Commodities, Financial Markets and Asset Finance.

Central Service Groups

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

Risk Management Group (RMG)

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

Legal and Governance Group (LGG)

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

Financial Management, People and Engagement (FPE)

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

Corporate Operations Group (COG)

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

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Operating and financial review

Our business continued

Our business strategy

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

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

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

Our Purpose

Why we exist

Empowering people to innovate and invest for a better future

Our Principles

How we do business



Opportunity



Accountability



Integrity

Our Strategy

is developed from the bottom up

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 trends where there is growth
- Ensuring accountability and entrepreneurial endeavour from staff
- Continuously enhancing our operating platform
- Adopting a disciplined approach to risk management, underpinned by a sound risk culture and embedded across the organisation
- Maintaining a strong and conservative balance sheet with diversified sources of funding.

Supported from the
centre

COG

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](https://www.macquarie.com/what-we-stand-for)

Risk management

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

Risk culture

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

- setting behavioural expectations, including through the *Code of Conduct*
- promoting risk culture by embedding the behavioural expectations into day-to-day practices. This is enabled through structural mechanisms, including performance-based remuneration and consequence management
- monitoring through qualitative and quantitative indicators, targeted assessments and reviews, and enabling the identification of focus areas
- reflecting to support the identification of necessary or desirable changes and focus areas.

Risk management framework

Macquarie Group's risk management framework is the totality of systems, structures, policies, processes and people within Macquarie Group that identify, measure, evaluate, monitor, report and control or mitigate all internal and external sources of material risk. Macquarie Group maintains a single risk management framework that is applied appropriately throughout Macquarie Group, including the Bank Group. Where appropriate, Macquarie Group's risk management framework is expanded to achieve effective separation between the Bank Group and the Non-Bank Group to mitigate contagion risk.

The framework is supported by a company-wide approach to policies and procedures, and RMG adopts the same level of rigour in relation to risk acceptance, monitoring and reporting for all Macquarie Group entities consistently. Macquarie Bank adopts policies, procedures and risk limits in accordance with the risk profile of the Bank Group.

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

- primary responsibility for day-to-day risk management lies with the business. The risk owner is the first line of defence
- RMG forms the second line of defence and provides independent and objective review and challenge, oversight, monitoring and reporting in relation to Macquarie Group's material risks
- the Internal Audit Division, as the third line, provides independent and objective risk-based assurance on the compliance with, and effectiveness of, Macquarie Group's financial and risk management framework.

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

Macroeconomic and other factors

The key macroeconomic and other factors that impact Macquarie Bank are:

Market conditions

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

The value of the Australian dollar

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

Potential regulatory changes

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

Funding and liquidity

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

Technology

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



More details on the management of these material risks are available at [macquarie.com/risk-management](https://www.macquarie.com/risk-management)



More details on Macquarie Group's risk management framework, risk culture and conduct risk management, which apply to all Macquarie Group businesses including the Bank Group entities, are in the Risk Management section in the MGL Annual Report.

Operating and financial review

Our business continued

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

Ownership of risk at the business level

Group Heads are responsible for ownership of material risks that arise in, or because of, their business' operations, including identification, measurement, evaluation, monitoring, control and mitigation of these risks. Before making decisions, clear analysis of the risks is sought to ensure those decisions are consistent with the risk appetite and strategy of Macquarie Bank.

Understanding worst-case outcomes

Macquarie Bank's risk management approach is based on examining the consequences of worst-case outcomes and determining whether these are acceptable and within Macquarie Bank's risk appetite. This approach is adopted for all material risk types and is often achieved by stress testing. Macquarie Bank operates a number of sophisticated quantitative risk management processes, but the foundation of the approach is the informed consideration of both quantitative and qualitative inputs by experienced professionals.

Requirement for an independent sign-off by RMG

Macquarie Bank places significant importance on having a strong, independent risk management function to review, challenge and sign-off all material risk acceptance decisions. It is essential that RMG has the capability to do this effectively. RMG has invested in recruiting skilled professionals from a range of industries, including those with trading or advisory and capital markets experience. For all material proposals, RMG's opinion must be sought at an early stage in the decision-making process. The approval document submitted to Senior Management must include independent input from RMG on risk and return.

Review of performance and financial position

Overview

Macquarie Bank's consolidated profit attributable to the ordinary equity holder of \$A3,445 million for the year ended 31 March 2025 increased 18% from \$A2,912 million in the prior year.

	FULL YEAR TO		
	31 Mar 25	31 Mar 24	Movement
	\$Am	\$Am	%
Net operating income	11,920	11,566	3
Operating expenses	(7,479)	(7,491)	(<1)
Income tax expense	(996)	(1,163)	(14)
Profit attributable to ordinary equity holder of Macquarie Bank Limited	3,445	2,912	18

Operating and financial review

Review of performance and financial position

FY2025 net profit contribution² by Operating Group

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

Banking and Financial Services

\$A1,380m

↑ 11% on prior year due to

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

Partially offset by:

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

Commodities and Global Markets

\$A2,872m

↓ 8% on prior year due to

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

Partially offset by:

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

Corporate

Net expenses of **\$A807m**

↓ 44% on prior year due to

- increased other operating income driven by a tax exempt gain from the sale of Macquarie Corona Energy Holdings Limited and its subsidiaries to Macquarie UK Holdings No. 2 Limited, under the Non-Bank Group.

² Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

Net operating income

Net operating income of \$A11,920 million for the year ended 31 March 2025 increased 3% from \$A11,566 million in the prior year. This increase was mainly driven by higher net other operating income, partially offset by higher credit and other impairment charges and lower net interest and trading income.

Net interest and trading income

FULL YEAR TO

31 Mar 25	31 Mar 24
\$Am	\$Am
8,256	8,401

↓ **2%**

on prior year

Largely driven by:

- lower risk management income primarily in EMEA Gas, Power and Emissions and Global Oil, partially offset by increased contributions from Resources, primarily from the metals sector, and Agriculture, in CGM
- lower inventory management and trading income driven by timing of income recognition on North American Gas and Power contracts, partially offset by increased trading gains in North American Gas and Power markets, in CGM
- higher funding costs, in Corporate.

Partially offset by:

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

Credit and other impairment (charges)/reversals

FULL YEAR TO

31 Mar 25	31 Mar 24
\$Am	\$Am
(150)	49

↑

substantially

on prior year

Largely driven by:

- deterioration in the macroeconomic outlook.

Fee and commission income

FULL YEAR TO

31 Mar 25	31 Mar 24
\$Am	\$Am
2,610	2,591

broadly in line

with prior year

Largely driven by:

- higher administration and advice fees from higher average funds on platform, in BFS.

Net other operating income

FULL YEAR TO

31 Mar 25	31 Mar 24
\$Am	\$Am
1,204	525

↑

substantially

on prior year

Largely driven by:

- a gain from the sale of Macquarie Corona Energy Holdings Limited and its subsidiaries to Macquarie UK Holdings No. 2 Limited, under the Non-Bank Group, in Corporate.

Operating and financial review

Review of performance and financial position continued

Operating expenses

Total operating expenses of \$A7,479 million for the year ended 31 March 2025 were broadly in line with the prior year.

Employment expenses

FULL YEAR TO		↓ 2% on prior year
31 Mar 25	31 Mar 24	
\$Am	\$Am	
4,811	4,911	

Largely driven by:

- lower salary and related expenses from lower average headcount
- lower one-off staff costs.

Partially offset by:

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

Brokerage, commission and fee expenses

FULL YEAR TO		↑ 8% on prior year
31 Mar 25	31 Mar 24	
\$Am	\$Am	
644	594	

Largely driven by:

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

Non-salary technology expenses

FULL YEAR TO		↑ 2% on prior year
31 Mar 25	31 Mar 24	
\$Am	\$Am	
961	942	

Largely driven by:

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

Partially offset by:

- lower project-based consultancy spend.

Other operating expenses

FULL YEAR TO		↑ 2% on prior year
31 Mar 25	31 Mar 24	
\$Am	\$Am	
1,063	1,044	

Largely driven by:

- higher occupancy expenses.

Partially offset by:

- lower indirect and other tax expenses
- lower expenses on certain legacy and other transaction-related charges.

Income tax expense

Income tax expense of \$A996 million for the year ended 31 March 2025 decreased 14% from \$A1,163 million in the prior year. The effective tax rate for the year ended 31 March 2025 was 22.4%, down from 28.5% in the prior year.

The lower effective tax rate compared to the prior year was mainly driven by the geographic composition and nature of earnings and a tax exempt gain from the sale of Macquarie Corona Energy Holdings Limited and its subsidiaries to Macquarie UK Holdings No. 2 Limited, under the Non-Bank Group.

Statement of financial position

Total assets

AS AT	
31 Mar 25	31 Mar 24
\$Ab	\$Ab
375.2	340.2

↑ **10%**
on 31 March 2024

Total assets of \$A375.2 billion as at 31 March 2025 increased 10% from \$A340.2 billion as at 31 March 2024.

The principal drivers for the increase were as follows:

- loan assets of \$A181.4 billion as at 31 March 2025 increased 16% from \$A156.7 billion as at 31 March 2024, driven by loan volume growth in BFS home loans
- cash collateralised lending and reverse repurchase agreements of \$A60.2 billion as at 31 March 2025 increased 21% from \$A49.6 billion as at 31 March 2024, driven by higher trading activities in CGM and an increase in holdings of reverse repurchase agreements as part of Group Treasury's liquid asset portfolio management
- trading assets of \$A29.7 billion as at 31 March 2025 increased 12% from \$A26.6 billion as at 31 March 2024, driven by an increase in holdings of physical commodities, in CGM
- margin money and settlement assets of \$A20.1 billion as at 31 March 2025 increased 21% from \$A16.6 billion as at 31 March 2024, driven by an increase in margin money, in CGM.

These increases were partially offset by:

- cash and bank balances of \$A22.3 billion as at 31 March 2025 decreased 21% from \$A28.1 billion as at 31 March 2024, driven by a reduction in the overnight deposit held with the Reserve Bank of Australia (RBA) as part of Group Treasury's liquid asset portfolio management
- financial investments of \$A17.1 billion as at 31 March 2025 decreased 10% from \$A19.0 billion as at 31 March 2024, driven by a decrease in holdings of debt securities as part of Group Treasury's liquid asset portfolio management.

Total liabilities

AS AT	
31 Mar 25	31 Mar 24
\$Ab	\$Ab
352.2	318.7

↑ **11%**
on 31 March 2024

Total liabilities of \$A352.2 billion as at 31 March 2025 increased 11% from \$A318.7 billion as at 31 March 2024.

The principal drivers for the increase were as follows:

- deposits of \$A177.7 billion as at 31 March 2025 increased 20% from \$A148.3 billion as at 31 March 2024, driven by volume growth in deposits, in BFS
- issued debt securities of \$A85.8 billion as at 31 March 2025 increased 19% from \$A71.9 billion as at 31 March 2024, driven by the net issuance of commercial paper, certificates of deposit and borrowings, in Group Treasury
- loan capital of \$A12.5 billion as at 31 March 2025 increased 16% from \$A10.8 billion as at 31 March 2024, driven by the net issuance of Tier 2 loan capital.

These increases were partially offset by:

- cash collateralised borrowing and repurchase agreements of \$A4.7 billion as at 31 March 2025 decreased 63% from \$A12.6 billion as at 31 March 2024, driven by maturity of the RBA Term Funding Facility
- derivative liabilities of \$A23.2 billion as at 31 March 2025 decreased 8% from \$A25.3 billion as at 31 March 2024, driven by subdued volatility across energy markets, as well as the maturity of prior year positions.

Total equity

AS AT	
31 Mar 25	31 Mar 24
\$Ab	\$Ab
23.0	21.4

↑ **7%**
on 31 March 2024

Total equity of \$A23.0 billion as at 31 March 2025 increased 7% from \$A21.4 billion as at 31 March 2024, driven by earnings generated during the current year and foreign currency translation reserves, largely due to the depreciation of the Australian Dollar against the United States Dollar. This was partially offset by dividend payments made during the year.

Operating and financial review

Review of performance and financial position continued

Funding

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 3.5 years as at 31 March 2025.

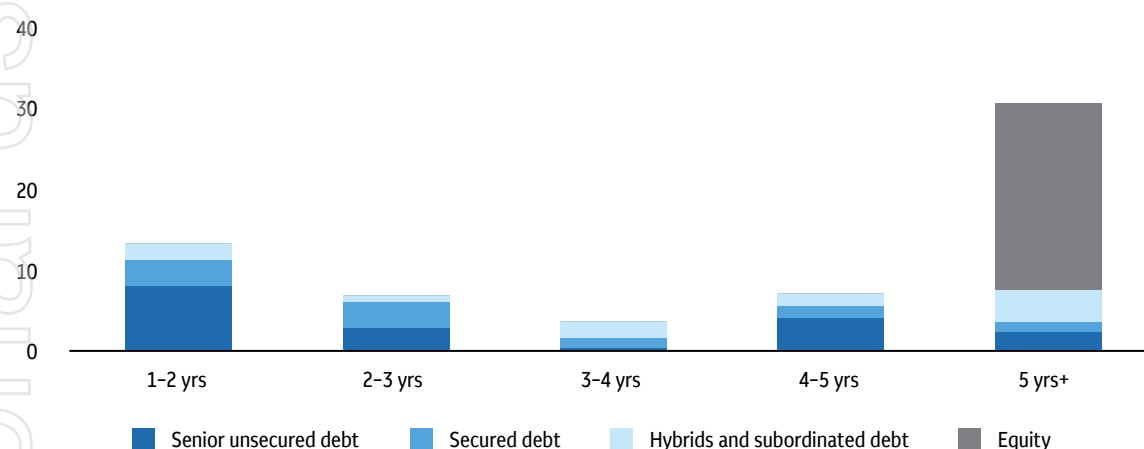
3.5
years

Weighted
average
maturity

Term funding profile

Detail of drawn funding maturing beyond one year

\$A billion



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. Since 1 April 2024, Macquarie Bank has continued to raise term wholesale funding across various products and currencies.

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

		Total \$Ab
Issued paper	- Senior unsecured	5.3
Secured funding	- Term securitisation, covered bond and other secured finance	3.9
Loan facilities	- Unsecured loan facilities	4.6
Loan capital	- Hybrid instruments and subordinated debt	1.3
Total³		15.1

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

³ 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 requirement of 4.5%, capital conservation buffer (CCB) of 3.75% and a countercyclical capital buffer (CCyB)⁴ of 0.75%. The corresponding requirement for Tier 1 capital is 10.5%, inclusive of the CCB and CCyB.⁴ APRA also requires ADIs to maintain a minimum leverage ratio of 3.5%. In addition, APRA may impose ADI-specific minimum ratios which may be higher than these levels.

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

Bank Group Level 2 Basel III ratios	APRA Basel III	Harmonised Basel III ⁵
Common Equity Tier 1 Capital Ratio	12.8%	17.6%
Tier 1 Capital Ratio	14.4%	19.6%
Leverage Ratio	5.1%	5.8%



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

⁴ The CCyB of the Bank Group at 31 March 2025 is 0.74%, this is rounded to 0.75% for presentation purposes. The individual CCyB varies by jurisdiction and the Bank Group CCyB is calculated as a weighted average based on exposures in different jurisdictions at period end.

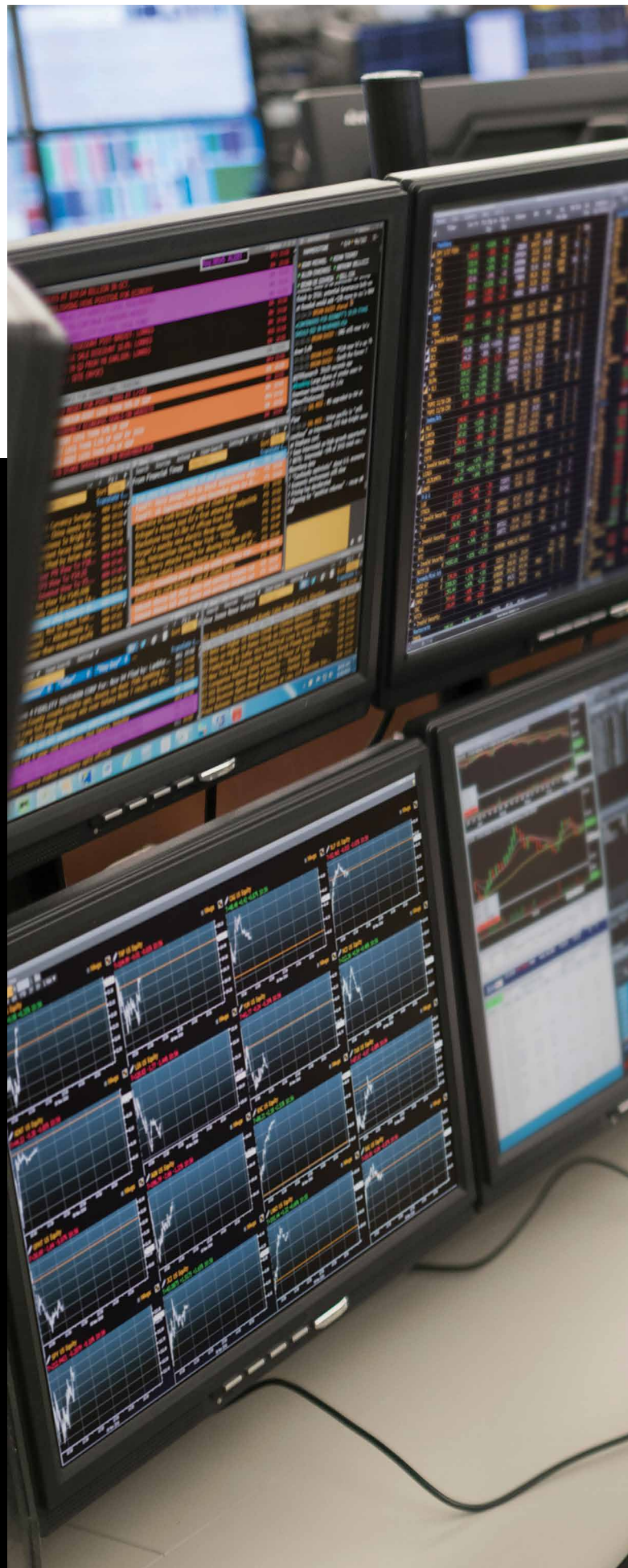
⁵ Harmonised Basel III estimates are calculated in accordance with the updated BCBS Basel III framework, noting that MBL is not regulated by the BCBS therefore the ratios are indicative only.

02

Directors' Report

Fixed Income and Currencies, Europe

Commodities and Global Markets' Fixed Income and Currencies teams in London and Paris offer a comprehensive suite of services in foreign exchange, interest rates and credit markets to corporate and institutional clients across Europe.



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Directors' Report

For the financial year ended 31 March 2025

The Directors of MBL submit their report with the financial report of the Consolidated Entity and the Company for the year ended 31 March 2025.

Principal activities

The principal activity of MBL during the financial year ended 31 March 2025 was to act as a full-service financial services provider offering a range of commercial banking and retail financial services in Australia and selected financial services offshore. MBL is a subsidiary of MGL and is regulated by APRA as an authorised deposit-taking institution (ADI). In the opinion of the Directors, there were no significant changes to the principal activities of the Consolidated Entity during the financial year under review that are not otherwise disclosed in this report.

Result

The financial report for the financial year ended 31 March 2025 has been prepared in accordance with Australian Accounting Standards.

The consolidated profit after income tax attributable to the ordinary equity holder for the financial year ended 31 March 2025 was \$A3,445 million (2024: \$A2,912 million).

Dividends and distributions

On 28 March 2025, 28 February 2025, 23 December 2024 and 28 June 2024, the Company paid an ordinary dividend of \$A226 million, \$A680 million, \$A221 million and \$A1,097 million, respectively.

No other ordinary share dividends or distributions were declared or paid during the financial year by the Company.

State of affairs

There were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review that are not otherwise disclosed in this report.

Events subsequent to balance 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 31 March 2025.

Rounding of amounts

In accordance with ASIC Corporations (*Rounding in Financial/Directors' Reports*) Instrument 2016/191, amounts in the Directors' Report and Financial Report have been rounded off to the nearest million Australian dollars unless otherwise indicated.

Operating and financial review

Please refer to section 1 of this Annual Report for the following in respect of the Consolidated Entity, which includes:

- a review of the operations during the year and the results of those operations
- comments on the financial position
- comments on business strategies and prospects for future financial years.

In respect of likely developments, business strategies and prospects for future financial years, material which if included would be likely to result in unreasonable prejudice to the Consolidated Entity, has been omitted.

Environmental regulations

MBL and its subsidiaries have policies and procedures in place that are designed to ensure that, where operations are subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory, those obligations are identified, appropriately addressed and material breaches notified.

The Directors have determined that there has not been any material breach of those obligations during the financial year.

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
 R.J. McGrath
 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 financial year ended 31 March 2025.

Mr M.J. Coleman retired from his role as an Independent Director on 26 July 2024.

Those Directors listed as Independent Directors have been independent throughout the period of their appointment.



Details of the qualifications, experience and special responsibilities of the Directors and qualifications and experience of the Company Secretaries at the date of this report are set out on pages 28 to 34.

Directors' and officers' indemnification and insurance

Under MBL's Constitution, MBL indemnifies all past and present directors and secretaries of MBL and its wholly-owned subsidiaries (including at this time the Directors named in this report and the Secretaries) certain liabilities and costs incurred by them in their respective capacities.

The indemnity covers the following liabilities and legal costs (subject to the exclusions described as follows):

- every liability incurred by the person in their respective capacity
- all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings in which the person becomes involved because of their respective capacity
- legal costs incurred by the person in good faith in obtaining legal advice on issues relevant to the performance and discharge of their duties as an officer of MBL or its wholly-owned subsidiaries, if that has been approved in accordance with MBL policy.

The indemnity does not apply to the extent that:

- MBL is forbidden by law to indemnify the person against the liability or legal costs, or
- an indemnity by MBL of the person against the liability or legal costs would, if given, be made void by law.

MBL has also entered into a Deed of Access, Indemnity, Insurance and Disclosure (as amended from time to time) (Deed) with each of the Directors.

Under the Deed, MBL agrees to, among other things:

- indemnify the Director upon terms broadly consistent with the indemnity contained in MBL's Constitution
- take out and maintain an insurance policy (or procure that an insurance policy is taken out and maintained) against liabilities incurred by the Director acting as an officer of MBL or its wholly owned subsidiaries. The insurance policy must be for an amount and on terms and conditions appropriate for a reasonably prudent company in MBL's position. Insurance must be maintained for seven years after the Director ceases to be a Director or until any proceedings commenced during that period have been finally resolved (including any appeal proceedings)
- grant access to Directors to all relevant company papers (including Board papers and other documents) for seven years after the Director ceases to be a Director or until any proceedings commenced during that period have been finally resolved (including any appeal proceedings)
- in addition, MGL made an Indemnity and Insurance Deed Poll on 12 September 2007 (Deed Poll). The benefit of the undertakings made by MGL under the Deed Poll have been given to each of the directors, secretaries, persons involved in the management and certain other persons, of MGL and its wholly-owned subsidiaries (which includes MBL) and other companies where the person is acting as such at the specific request of MGL and its wholly-owned subsidiaries. The Deed Poll provides for broadly the same indemnity and insurance arrangements for those persons with the benefit of the Deed Poll as for the Deed described above.

However, the Deed Poll does not provide for access to company documents. The Deed Poll largely supersedes previous deed polls which were provided by MBL which were on similar terms. Certain directors and secretaries still have the benefit of the previous deed polls.

A Directors' and Officers' insurance policy, paid for by Macquarie Group, is in place that provides cover for each person in favour of whom such insurance is required to be taken out under the Deed and the Deed Poll and for MBL in indemnifying such persons pursuant to the Deed and the Deed Poll. The Directors' and Officers' insurance policy prohibits disclosure of the premium payable under the policy and the nature of the liabilities insured.

To the extent permitted by law, MBL has agreed to reimburse its auditor, PricewaterhouseCoopers (PwC), for any liability (including reasonable legal costs) PwC incurs in connection with any claim by a third party arising from MBL's breach of the letter of engagement dated 25 July 2024.

Directors' Report

For the financial year ended 31 March 2025 continued

Directors' relevant interests

At the date of this report, none of the Directors held a relevant interest, as required to be notified by the Directors to the Australian Securities Exchange (ASX) in accordance with the *Corporations Act 2001* (Cth), in ordinary shares or share options of MBL. The relevant interests of Directors in MGL securities, managed investment schemes made available by related companies of MGL and other disclosable relevant interests are listed in the table below:

Name and position	Direct and indirect interests	Number held
Executive Voting Director		
S.D. Green	Macquarie ordinary shares (MQG)	166
	Macquarie Group Employee Retained Equity Plan (MEREPA) Restricted Share Units (RSUs) ¹	39,263
	MEREPA Performance Share Units (PSUs) ¹	44,774
	Macquarie Private Infrastructure Fund units	90,000
S.R. Wikramanayake	MQG	1,283,941 ²
	MEREPA RSUs ¹	508,088
	MEREPA PSUs ¹	84,241
	MAFCA Investments Pty Ltd ordinary shares	2,000,000
Independent Directors		
J.R. Broadbent AC	MQG	16,062
	Macquarie Group Capital Notes 4 (MCN4)	4,000
	Macquarie Bank Capital Notes 2 (BCN2)	1,500
W.S. Byres	MQG	1,032
P.M. Coffey	MQG	8,895
	Walter Scott Global Equity Fund units	487,008.35
	IFP Global Franchise Fund II units	567,848.22
M.A. Hinchliffe	MQG	2,800
S.J. Lloyd-Hurwitz	MQG	1,148
R.J. McGrath	MQG	3,817
M. Roche	MQG	7,000
I.M. Saines	MQG	1,500
	Macquarie Core Australian Fixed Interest Fund units	787,224.4758
G.R. Stevens AC	MQG	5,847
D.J.K. Whiteing	MQG	-

¹ These RSUs and PSUs were issued pursuant to the MEREPA and are subject to the vesting, forfeiture and other conditions applied to grants of awards to Executive Directors, as described in Note 29 *Employee equity participation* to the financial statements in the Financial Report.

² This includes a relevant interest in 15,360 MQG Shares held in the estate of Dr PR Wikramanayake, of which Ms Wikramanayake is an executor.

Board and Board Committee meetings and attendance

The number of meetings of the MBL Board of Directors (the Board) and of the Committees of the Board and the individual attendance by Directors at those meetings which they were eligible to attend as members, during the financial year, is summarised in the table below. The table excludes the attendance of those Directors who attended the Board Committee meetings of which they were not a member:

	Committee membership	Regular Board meetings ³	BAC meetings ^{3,4}	BCC meetings ³	BGCC meetings ^{3,4}	BRC meetings ^{3,4}	BRiC meetings ^{3,4}	Special Board meetings ³
Number of meetings		8	9	8	5	7	6	2
Chair and Executive Directors								
G.R. Stevens AC	●	8/8		8/8				2/2
S.D. Green	●	8/8		8/8				2/2
S.R. Wikramanayake		8/8						2/2
Non-Executive Directors								
J.R. Broadbent AC	ⓐ ●	8/8				7/7	6/6	2/2
W.S. Byres ⁵	● ● ● ● ●	8/8	5/5	8/8	3/3		3/3	2/2
P.M. Coffey	● ⓐ	8/8			5/5		6/6	2/2
M.A. Hinchliffe	ⓐ ●	8/8	9/9		5/5			1/2
S.J. Lloyd-Hurwitz	● ●	8/8	8/9			6/7		2/2
R.J. McGrath	ⓐ ●	8/8			5/5		6/6	2/2
M. Roche	● ● ●	7/8	8/9			7/7	6/6	2/2
I.M. Saines	ⓐ ● ●	8/8		8/8		7/7	6/6	2/2
D.J.K. Whiteing ⁶	● ● ● ● ●	8/8	8/9	8/8	5/5	3/3	3/3	2/2
Former Non-Executive Director								
M.J. Coleman ⁷	● ● ● ●	3/3	4/4	3/3	2/2	4/4		1/1

Key

ⓐ Committee Chair	● Board Audit Committee	● Board Conflicts Committee
● Board Governance & Compliance Committee	● Board Remuneration Committee	● Board Risk Committee

The Chair of the Board, the MBL CEO and the MGL CEO receive a standing invitation for all Board Committee meetings and attend as they consider appropriate. All Board members are sent Board Committee meeting agendas and may attend any meeting.

There was one Board sub-committee convened during the period, with two meetings held. Both meetings were attended by all eligible sub-committee members, being Mr Stevens, Mr Green, Ms Wikramanayake, Ms Hinchliffe and the Chief Financial Officer (CFO), Mr Harvey.

There was one Board Risk Committee sub-committee convened during the period, with two meetings held. The meetings were attended by Mr Coffey, Mr Byres and Mr Roche for both meetings and by Ms McGrath for one meeting.

³ Number of meetings attended by the member/total number of meetings eligible to attend as a member. Some of the special board and committee meetings and sub-committee meetings were called at short notice and not all members were able to attend.

⁴ There was one meeting of the relevant committee that was a joint meeting during the year.

⁵ Mr Byres became a member of the Board Audit Committee, Board Governance and Compliance Committee, and Board Risk Committee on 26 July 2024.

⁶ Mr Whiteing ceased to be a member of the Board Risk Committee and became a member of the Board Remuneration Committee on 26 July 2024.

⁷ Mr Coleman retired from his role as an Independent Voting Director of the MBL Board on 26 July 2024.

Directors' experience and special responsibilities



Glenn R Stevens AC

BEC (Hons) (Sydney),
MA (Econ) (UWO)

Resides: New South Wales
Independent Chair of MBL
and MGL since May 2022
Independent Voting
Director of MBL and MGL
since November 2017

Mr Stevens is a member
of the BCC

Experience

Glenn Stevens worked at the highest levels of the Reserve Bank of Australia (RBA) for 20 years and, as well as developing Australia's successful inflation targeting framework for monetary policy, played a significant role in central banking internationally. Most recently, he was Governor of the Reserve Bank of Australia between 2006 and 2016.

Mr Stevens has also made key contributions to a number of Australian and international boards and committees, including as Chair of the Australian Council of Financial Regulators between 2006 and 2016, as a member of the Financial Stability Board and on a range of G20 committees.

Other current directorships/appointments

- Board member, NSW Treasury Corporation
- Director, Anika Foundation
- Director, Lowy Institute
- Deputy Chair, Temora Aviation Museum



Stuart D Green

BA (Hons) (UCL), MBA (CUL
Business School), FCA, FCT

Resides: New South Wales
Managing Director and Chief
Executive Officer of MBL
since July 2021
Executive Voting Director
of MBL since July 2021
Mr Green is a member
of the BCC

Experience

Stuart has been Managing Director and CEO of Macquarie Bank Limited since July 2021.

Stuart joined Macquarie Group in 2001 and worked in the Corporate and Asset Finance group, responsible for originating asset financing transactions for Macquarie Group. In 2002, he assumed responsibility for investor relations for Macquarie Group's listed airport fund, Macquarie Airports, before moving to become Global Head of Investor Relations for Macquarie Group's portfolio of listed funds. In 2008 he was appointed Head of Corporate Communications and Investor Relations, responsible for managing Macquarie Group's relationships with investors and analysts, government and media.

Stuart was appointed Group Treasurer in August 2013, a role he held until July 2021, when he became Managing Director and Chief Executive Officer of Macquarie Bank Limited.

Prior to joining Macquarie Group, Stuart worked in the UK as a Chartered Accountant in public practice for BDO Binder, where he obtained his professional qualifications, and later in a number of corporate roles as head of finance and corporate strategy.

From 2010 to 2020, Stuart served on the Board of the Juvenile Diabetes Research Foundation (JDRF) where he was Treasurer and Chair of the Finance and Audit Committee.

Other current directorships/appointments

- Member, Australian Banking Association Council
- Director, Financial Markets Foundation for Children
- Member, Macquarie Group Foundation Committee
- Member, Institute of Chartered Accountants in England and Wales (ICAEW) Australasia Strategy Advisory Group



Shemara R Wikramanayake

BCom LLB (UNSW)

Resides: New South Wales
Managing Director and Chief Executive Officer of MGL since December 2018
Executive Voting Director of MBL and MGL since August 2018

Experience

Shemara Wikramanayake has been Macquarie Group's Managing Director and CEO since late 2018.

Shemara joined Macquarie Group in 1987 in Macquarie Capital in Sydney. In her time at Macquarie Group, Shemara has worked in six countries and across several business lines, establishing and leading Macquarie Group's corporate advisory offices in New Zealand, Hong Kong and Malaysia, and the infrastructure funds management business in the US and Canada. Shemara has also served as Chair of the Macquarie Group Foundation.

As Head of Macquarie Asset Management for 10 years before her appointment as CEO, Shemara led a team of 1,600 staff in 24 markets. Macquarie Asset Management grew to become a world-leading manager of infrastructure and real assets and a top 50 global public securities manager.

Before joining Macquarie Group, Shemara worked as a corporate lawyer at Blake Dawson Waldron in Sydney. She holds Bachelor of Commerce and Bachelor of Laws degrees from UNSW and completed the Advanced Management Program at Harvard Business School in 1996.

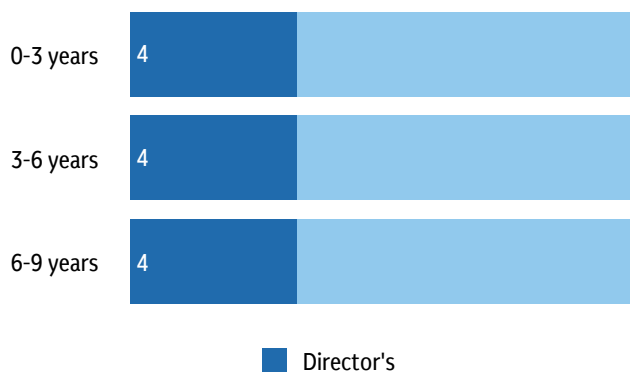
Other current directorships/appointments

- Australian Government Business Champion for the Philippines
- Member, International Advisory Panel, Monetary Authority of Singapore
- Member, World Bank Private Sector Investment Lab
- Member of Principals Group, Glasgow Financial Alliance for Net Zero (GFANZ)
- Member, Global Investors for Sustainable Development Alliance

Gender diversity



Board tenure



Board independence

83% of Board members are independent directors



Directors' experience and special responsibilities

Continued



Jillian R Broadbent AC

BA (Maths & Economics) (Sydney)

Resides: New South Wales
Independent Voting
Director of MBL and MGL
since November 2018

Ms Broadbent is Chair
of the BRC and a member
of the BRiC

Experience

Jillian Broadbent has extensive investment banking industry knowledge and markets expertise, including a deep knowledge of risk management and regulation in these areas. She also has considerable executive management and listed company board experience. Ms Broadbent spent 22 years at Bankers Trust Australia until 1998, initially as an economic strategist and then as executive director responsible for risk management and derivatives in foreign exchange, interest rates and commodities.

Ms Broadbent was also a Member of the Reserve Bank of Australia Board between 1998 and 2013 and has previously served as Chair of the Board of Clean Energy Finance Corporation (CEFC), and as a director of ASX Limited, SBS, Coca Cola Amatil Limited, Woodside Petroleum Limited, Qantas Airways Limited, Westfield Management Limited, Woolworths Group Limited and the National Portrait Gallery of Australia.

Other current directorships/appointments

- Director, Lowy Institute
- Director, National Portrait Gallery Board Foundation
- Director, Seaborn, Broughton & Walford Pty. Limited
- Director, Sydney Dance Company



Wayne S Byres

BEC (Hons) (MQ), MAppFin (MQ), GAICD, SFFin

Resides: New South Wales
Independent Voting
Director of MBL since
February 2024

Mr Byres is a member
of the BAC, BCC, BGCC
and BRiC

Experience

Mr Byres has significant experience in domestic and international bank regulation, risk management, governance and public policy as a former Chair of the Australian Prudential Regulation Authority (APRA) and Secretary General of the Basel Committee on Banking Supervision. He was also a member of the Australian Council of Financial Regulators, and served as APRA's representative on the Reserve Bank of Australia's Payments System Board.

Listed company directorships (last three years)

- Director, ASX Limited (since May 2024)

Other current directorships/appointments

- Advisor on banking and financial matters, International Monetary Fund



Philip M Coffey

BEC (Hons) (Adelaide),
GAICD, SF Finsia

Resides: New South Wales
Independent Voting
Director of MBL and MGL
since August 2018

Mr Coffey is Chair of
the BRIC and a member
of the BGCC

Experience

Phil Coffey served as the Deputy Chief Executive Officer (CEO) of Westpac Banking Corporation, from April 2014 until his retirement in May 2017. As the Deputy CEO, Mr Coffey had the responsibility for overseeing and supporting relationships with key stakeholders of Westpac including industry groups, regulators, customers and government. He was also responsible for the Group's Mergers & Acquisitions function. Prior to this role, Mr Coffey held a number of executive positions at Westpac including Chief Financial Officer and Group Executive, Westpac Institutional Bank.

He has successfully led operations based in Australia, New Zealand, the United States, the United Kingdom and Asia and has extensive experience in financial markets, funds management, balance sheet management and risk management. He began his career at the Reserve Bank of Australia and has also held executive positions at AIDC Limited and Citigroup. Mr Coffey previously served as a director of Clean Energy Finance Corporation.

Listed company directorships (last three years)

- Director, Lendlease Group (Lendlease Corporation Limited and Lendlease Responsible Entity Limited) (since January 2017)

Other current directorships/appointments

- Director, Goodstart Early Learning Ltd



Michelle A Hinchliffe

BCom (UQ), FCA, ACA,
MAICD

Resides: United Kingdom
Independent Voting
Director of MBL and MGL
since March 2022

Ms Hinchliffe is Chair of
the BAC and a member
of the BGCC

Experience

Michelle Hinchliffe has more than 35 years' professional experience within the financial services sector. She has worked in geographically diverse and complex environments providing advice in a range of areas including financial and regulatory reporting, internal controls, risk management and business processes.

Michelle was the Lead Audit Partner for a number of global banking institutions as well as the Head of Audit, KPMG UK from September 2017 to April 2019 and then Chair of Audit, KPMG UK from May 2019 to September 2021. During the period from May 2019 to February 2022 she was a board member of KPMG UK. Prior to this she was the Head of Financial Services for KPMG Australia, where she was also a member of the board.

Listed company directorships (last three years)

- Director, BHP Group Limited (since March 2022)

Other current directorships/appointments

- Director, Santander UK plc
- Director, Santander UK Group Holdings plc
- Member, Institute of Chartered Accountants in England and Wales (ICAEW), Australasia Strategy Advisory Group

Directors' experience and special responsibilities

Continued



Susan J Lloyd-Hurwitz

BA (Hons) (USYD),
MBA (Distinction), INSEAD

Resides: New South Wales
Independent Voting
Director of MGL since
June 2023 and MBL since
July 2023
Ms Lloyd-Hurwitz is a
member of the BAC
and BRC

Experience

Susan Lloyd-Hurwitz has significant expertise in the global investment and real estate sectors. She served as the CEO of Mirvac for more than a decade and prior to that was the Managing Director of Europe for LaSalle Investment Management.

Susan was the National President for the Property Council of Australia, a director of the Business Council of Australia, and Chair of the Green Building Council of Australia.

Listed company directorships (last three years)

- Chief Executive Officer and Managing Director, Mirvac Group (November 2012–June 2023)
- Director, Rio Tinto Limited (since June 2023)

Other current directorships/appointments

- Director, Rio Tinto plc
- Director, Spacecube Pty Ltd
- Director and President, Chief Executive Women
- Chair, Advisory Board, Gender Equality and Inclusion @ Work
- Chair, Australian National Housing Supply & Affordability Council
- Global Board member, INSEAD
- Member, Sydney Opera House Trust



Rebecca J McGrath

BTP (Hons) (UNSW),
MAppSc (ProjMgt) (RMIT),

Resides: Victoria
Independent Voting
Director of MBL and
MGL since January 2021
Ms McGrath is Chair
of the BGCC and a member
of the BRIC

Experience

Rebecca McGrath is an experienced professional company director and Chair, with substantial international business experience. She spent 25 years at BP plc where she held various executive positions, including Chief Financial Officer Australasia and served as a member of BP's Executive Management Board for Australia and New Zealand.

Ms McGrath has served as a director of Goodman Group, CSR Limited, Big Sky Credit Union and Incitec Pivot Ltd, and as Chair of Scania Australia Pty Limited and Kilfinan Australia. She is a former member of the JP Morgan Advisory Council. She has attended executive management programmes at Harvard Business School, Cambridge University and MIT in Boston.

Listed company directorships (last three years)

- Chair, OZ Minerals Limited (May 2017–May 2023); Director (November 2010–May 2023)
- Director, Goodman Group (April 2012–February 2023)
- Director, Djerrirwarrh Investments Limited (since January 2024)

Other current directorships/appointments

- Chair, Investa Commercial Property Fund (ICPF)
- Chair, Investa Wholesale Funds Management Limited
- Director, Investa Office Management Holdings Pty Limited
- Director, Melbourne Business School Limited
- Director, UniSuper
- Member, The Australian British Chamber of Commerce Advisory Council
- Member, ASIC Corporate Governance Consultative Panel



Mike Roche

BSc (UQ), GAICD,
FIA (London), FIAA

Resides: New South Wales
Independent Voting
Director of MBL and
MGL since January 2021

Mr Roche is a member
of the BAC, BRC and BRIC

Experience

Mike Roche has over 40 years' experience in the finance sector as a highly skilled and experienced provider of strategic, financial, mergers and acquisitions, and capital advice to major corporate, private equity and government clients. He held senior positions with AXA Australia as a qualified actuary and Capel Court/ANZ Capel Court.

Mr Roche spent more than 20 years at Deutsche Bank and was Head of Mergers and Acquisitions (Australia and New Zealand) for 10 years where he advised on major takeovers, acquisitions, privatisations, and divestments. He stepped down as Deutsche Bank's Chair of Mergers and Acquisitions (Australia and New Zealand) in 2016. He was a member of the Takeovers Panel for two terms from 2008 to 2014.

Listed company directorships (last three years)

- Director, Wesfarmers Limited (since February 2019)

Other current directorships/appointments

- Director, MaxCap Group Pty Ltd
- Director, Te Pahau Management Ltd
- Managing Director, M R Advisory Pty Ltd
- Co-founder and Director, Sally Foundation



Ian M Saines

BCom (Economics)
(UNSW), FAICD

Resides: New South Wales
Independent Voting
Director of MBL since
June 2022

Mr Saines is Chair of the
BCC and a member of the
BRC and BRIC

Experience

Ian Saines is an experienced leader in commercial and investment banking and asset management, having held senior roles at Commonwealth Bank of Australia, Challenger, Zurich Financial Services and Bankers Trust Australia. He began his career at the Reserve Bank of Australia and has a strong background in financial markets and highly regulated environments combined with audit, risk and investment committee experience.

Mr Saines was formerly a director of Father Chris Riley's Youth off the Streets, a not-for-profit organisation providing support to chronically homeless and abused youth in our society and a director of the Australian Financial Markets Association (AFMA) from 2008 until 2013.

Listed company directorships (last three years)

- Director, Air Lease Corporation (since June 2010)

Other current directorships/appointments

- Director, Catholic Schools Broken Bay Limited
- Director, NSW Treasury Corporation
- Deputy Chair, United States Studies Centre

Directors' experience and special responsibilities

Continued



David JK Whiteing

BBusSci (UCT)

Resides: New South Wales
Independent Voting
Director of MBL since
September 2023

Mr Whiteing is a member
of the BAC, BCC, BGCC
and BRC

Experience

Mr Whiteing has over 30 years of experience leading business and technology strategies across multiple sectors through periods of significant change. He has worked globally, including four years as Global Chief Operating Officer for Standard Chartered based in Singapore, various senior consulting roles in London and five years as a Group Executive at the Commonwealth Bank of Australia. Mr Whiteing was previously the Managing Director of Data and Cyber Transformation at Singtel Optus Pty Limited.

Listed company directorships (last three years)

- Director, Suncorp Group Limited (since February 2025)

Other current directorships/appointments

- Director, Silicon Quantum Computing Pty Ltd

Company secretaries' qualifications and experience

Simone Kovacic

BBus LLB (Hons) (UTS), LLM (Sydney), FGIA

Company Secretary since December 2022

Experience

Simone Kovacic is a Division Director of Macquarie Group, having joined in 2009. Simone leads the Legal and Governance Group's corporate governance function, including responsibility for Macquarie Group's, including MBL's, company secretarial requirements and corporate governance matters. She has over 20 years' experience as a corporate lawyer at Macquarie Group and, prior to Macquarie Group, in private practice at Skadden, Arps, Slate, Meagher & Flom LLP in the US and at Freehills in Sydney.

Olivia Shepherd

BCM (UoW), BCom (UoW), MSc (LSBU), FGIA

Assistant Company Secretary since December 2022

Experience

Olivia Shepherd is a Division Director of Macquarie Group. Olivia has company secretarial responsibilities and provides corporate governance advice. She has over 15 years' company secretarial and governance experience with Macquarie Group and Investec Bank plc in the UK.

Executive Committee



Stuart D Green

Managing Director and Chief Executive Officer of MBL

Chief Executive Officer of MBL since July 2021

Member of Executive Committee since 1 July 2021

Experience

Stuart has been Managing Director and CEO of Macquarie Bank Ltd since July 2021.

Stuart joined Macquarie Group in 2001 and worked in the Corporate and Asset Finance group, responsible for originating asset financing transactions. In 2002, he assumed responsibility for investor relations for Macquarie Group's listed airport fund, Macquarie Airports, before moving to become Global Head of Investor Relations for Macquarie Group's portfolio of listed funds. In 2008, he was appointed Head of Corporate Communications and Investor Relations, responsible for managing Macquarie's relationships with investors and analysts, government and media.

Stuart was appointed Group Treasurer in August 2013, a role he held until July 2021, when he became Managing Director and CEO of Macquarie Bank Limited.

Prior to joining Macquarie, Stuart worked in the UK as a Chartered Accountant in public practice for BDO Binder, where he obtained his professional qualifications, and later in a number of corporate roles as head of finance and corporate strategy.

From 2010 to 2020, Stuart served on the Board of the Juvenile Diabetes Research Foundation where he was Treasurer and Chair of the Finance & Audit Committee.



Shemara R Wikramanayake

Managing Director and Chief Executive Officer of MGL

Chief Executive Officer of MGL since August 2018

Member of Executive Committee since 1 August 2008

Experience

Shemara has been Macquarie Group's Managing Director and CEO since late 2018.

Shemara joined Macquarie Group in 1987 in Macquarie Capital in Sydney. In her time at Macquarie Group, Shemara has worked in six countries and across several business lines, establishing and leading Macquarie Group's corporate advisory offices in New Zealand, Hong Kong and Malaysia, and the infrastructure funds management business in the US and Canada. Shemara has also served as Chair of the Macquarie Group Foundation.

As Head of Macquarie Asset Management for 10 years before her appointment as CEO, Shemara led a team of 1,600 staff in 24 markets. Macquarie Asset Management grew to become a world-leading manager of infrastructure and real assets and a top 50 global public securities manager.

Shemara sits on the Supervisory Board of the World Bank's Global Center on Adaptation and was a founding CEO of the United Nations Climate Finance Leadership Initiative (CFLI). She is the Australian Government's Business Champion for the Philippines and a member of the Monetary Authority of Singapore's International Advisory Panel, the World Bank Private Sector Investment Lab, and the Global Investors for Sustainable Development (GISD) Alliance.



Evie N Bruce

Group General Counsel
Head of Legal and Governance Group

Member of Executive Committee since 2 March 2022

Experience

Evie has been the Group General Counsel and Head of the Legal and Governance Group since March 2022.

Evie is a lawyer with nearly 30 years' practice and management experience, across ANZ, Asia and the US, specialising in mergers and acquisitions, capital markets, and the financial services sector.

Prior to joining Macquarie Group, Evie worked for King & Wood Mallesons where she led the law firm's extensive global engagement with Macquarie Group's businesses for a number of years.

Evie is a member of Corporations Committee of the Law Council of Australia, Law Society of New South Wales, and State Bar of New York. She is also a member of the Macquarie Group Foundation Committee.

Executive Committee

Continued



Andrew F Cassidy

Chief Risk Officer
Head of Risk Management Group

Member of Executive Committee since 1 January 2022

Experience

Andrew was appointed Chief Risk Officer in early 2022.

After joining Macquarie Group in 2004, Andrew spent over 15 years working in Macquarie Capital, across various roles including leadership of Macquarie Group's principal investment activity in Asia Pacific. He joined the Risk Management Group in 2019 and has overseen the continued strengthening of Macquarie Group's risk framework.

Andrew also manages the day-to-day operation of the Internal Audit function, which is primarily managed by the Board Audit Committee.



Alex H Harvey

Chief Financial Officer
Head of Financial Management, People and Engagement

Chair of the Macquarie Group Foundation

Member of Executive Committee since 1 January 2018

Experience

Alex has been the Chief Financial Officer since 2018. He has also been Head of Financial Management, People and Engagement since January 2025, prior to which he was Head of Financial Management Group.

Alex joined Macquarie in 1998 and was the CEO of Macquarie Group Asia from 2011 to 2014.

Before being appointed CFO, Alex was the Global Head of the Principal Transaction Group in Macquarie Capital and a member of Macquarie Capital's Management Committee.

Alex has more than 30 years' experience in the financial services industry across Australia, Asia, Europe and the US.

In January 2022, Alex became Chair of the Macquarie Group Foundation.

Gender diversity



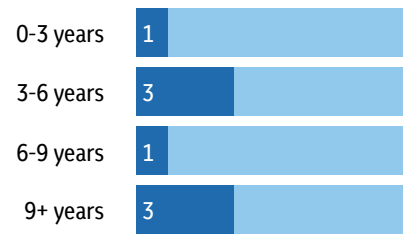
Female:

3

Male:

5

Committee tenure



Committee members



Nicole G Sorbara

Chief Operating Officer
Head of Corporate Operations Group

Member of Executive Committee since
1 January 2013

Experience

Nicole is Head of Corporate Operations Group and has been Chief Operating Officer since 2013.

Nicole leads a global team across 24 countries which brings together specialist capabilities in technology, data, AI, market operations, corporate real estate, business resilience, procurement and global security to support Macquarie's growth.

Since joining Macquarie in 1996, Nicole has worked across various roles in finance, Macquarie Capital and was previously the Head of Human Resources.

Nicole is a Chartered Accountant with more than 30 years' experience in accounting and financial services. Outside Macquarie, she is Chair of the Board of PCYC NSW.



Greg C Ward

Deputy Managing Director of MGL
Head of Banking and
Financial Services

Member of Executive Committee since
3 March 2005

Experience

Greg has been Head of Banking and Financial Services since July 2013 and Deputy Managing Director of Macquarie Group Limited since 2011.

Greg joined Macquarie in 1996, the year the organisation became publicly listed, and during his tenure has driven the growth of Macquarie's retail financial services business. He has over 30 years' experience in finance and financial services.

Chief Financial Officer for 14 years before being appointed Deputy Managing Director of Macquarie Group, Greg was also Chief Executive Officer of the Group's banking subsidiary, Macquarie Bank, from 2011 to 2013.



Simon L Wright

Head of Commodities and
Global Markets

Member of Executive Committee since
1 April 2024

Experience

Simon was appointed Head of Commodities and Global Markets in February 2024 and is responsible for its global business offering capital and financing, risk management, market access, and physical execution and logistics solutions across Commodities, Financial Markets and Asset Finance.

Prior to his current role, Simon was the Head of the Fixed Income and Currencies division within Commodities and Global Markets, which provides fixed income, currencies and credit market services to corporate and institutional clients globally.

Since joining Macquarie in 1989, Simon has held a number of senior roles within Commodities and Global Markets, while leading the build and oversight of Macquarie's global Financial Markets platform.

Simon holds a Bachelor of Economics from Sydney University.

Remuneration Report



Introduction

Macquarie Bank Limited (MBL) is a subsidiary of Macquarie Group Limited (MGL). Whilst the Macquarie Group remuneration framework applies to all staff including those within the Bank Group, the Board oversees the remuneration policies applicable to Macquarie Bank staff and approves remuneration outcomes relating to the senior executives of Macquarie Bank. To support the Board on these processes, the Board has a Remuneration Committee (BRC), with two Bank-only Non-Executive Directors (BONDS) among its members.

As noted in the MBL CEO's letter, Macquarie Bank's businesses delivered a solid net profit contribution, against a backdrop of ongoing economic uncertainty. Our FY2025 financial results are underpinned by our unique business mix and differentiated offerings which have enabled us to navigate an uncertain external environment.

The Board believes its longstanding and consistent approach to remuneration has been a key driver of our ongoing success, which relies on our people to generate ideas, identify new opportunities and be accountable for managing the associated risks. Our well-established remuneration framework continues to reward performance across a range of financial and non-financial measures, aligning outcomes for staff with those of our stakeholders.¹

Significant progress was made on the remediation program with APRA to strengthen MBL's governance, culture, structure and remuneration. To ensure the changes made to the remuneration framework are sustained, the BRC will continue to regularly review our approach to ensure it remains fit for purpose, protects MBL's interests, and appropriately focuses on the oversight, design, and determination of remuneration outcomes for MBL staff.

Despite making many enhancements to strengthen risk culture and non-financial risk frameworks, some risk and regulatory matters occurred during the year which the Board has taken into account in determining remuneration outcomes. In particular, the Board considered the conditions imposed by ASIC on MBL's Australian financial services licence, announced on 7 May 2025 (the MBL Licence Conditions). The Board takes MBL's obligations as a licenced entity seriously and acknowledges there are areas where we can further improve compliance. This has been reflected in the determination of remuneration outcomes through:

- a reduction in profit share for the relevant Executive Key Management Personnel (KMP), including the MBL CEO and MGL CEO
- a reduction in Performance Share Units (PSU) allocations for all Executive KMP, including the MBL CEO and MGL CEO
- the imposition of an additional qualifying condition on the FY2025 PSU allocations for all Executive KMP to reflect that the Board holds all Executive Committee members accountable for addressing identified shortcomings, in a timely manner. In addition to the existing two performance hurdles and the pre-vest assessment, the MBL Licence Conditions must have been removed by the end of the four-year performance period for any vesting to occur.

¹ Stakeholders include MBL's ultimate parent, MGL and its shareholders.

Remuneration framework

This section explains the link between our purpose, our remuneration objectives and principles, and how these are reflected in the remuneration framework.

Macquarie Group's purpose statement, 'Empowering people to innovate and invest for a better future,' articulates why Macquarie exists and what we do. It supports the *What We Stand For* principles of Opportunity, Accountability and Integrity, which express how we do business. Macquarie Bank's longstanding and consistent approach to remuneration continues to support this purpose and aligns with the *What We Stand For* principles.

Macquarie Bank's remuneration framework has been a key driver of our sustained success as an international organisation. Staff are motivated to grow businesses over the medium to long-term, taking accountability for all decisions and their accompanying risk management, customer, economic and reputational outcomes.

This framework has been fundamental in ensuring we can continue to attract, motivate and retain exceptional and entrepreneurial people with deep industry expertise across the 19 markets in which we operate. These people come from organisations that broadly operate in the same markets and compete for the same people as Macquarie in various industry sectors (including global investment banks, commodity houses and other banks, as well as industries that are not specific to banking or financial services, for example, technology, accounting, and engineering) across many jurisdictions.

This broad approach has been in place since Macquarie Bank's inception and is reviewed regularly to ensure the framework continues to meet our remuneration objectives and aligns with our remuneration principles and the expectations of our stakeholders.

The table below shows the link between our purpose, *What We Stand For* principles and our remuneration objectives and principles.

Our purpose:

Empowering people to innovate and invest for a better future



Opportunity



Accountability



Integrity



Remuneration objectives



Remuneration principles

Macquarie Bank's remuneration framework is designed to:

- attract, motivate and retain exceptional people with deep industry expertise
- deliver strong company performance over the short and long-term whilst prudently managing risk
- promote effective management of financial and non-financial risks, and Macquarie Bank's long-term soundness
- align the interests of staff and MBL's stakeholders to deliver sustained results for our customers, clients and community
- promote innovation and the building of sustainable businesses
- drive behaviours that reflect the best interests of Macquarie Bank, its culture, and the principles of *What We Stand For* and support the prevention and mitigation of conduct risk
- foster a diverse and inclusive work environment.

These objectives are achieved by:

- emphasising performance-based remuneration
- determining an individual's performance-based remuneration based on a range of financial and non-financial factors
- having the ability to adjust variable remuneration to reflect risk outcomes, where appropriate
- retaining a significant proportion of variable remuneration to enable risk outcomes to be considered over a longer period
- delivering retained profit share in MGL equity to ensure the interests of staff and MBL's stakeholders are aligned over the long-term
- remunerating high-performing staff appropriately, relative to global peers
- providing consistent arrangements over time to give staff the confidence to pursue multi-year initiatives.






Remuneration Report

Continued

Remuneration framework for FY2025

The remuneration framework operates as an integrated whole. An individual's remuneration comprises fixed remuneration, profit share and, for Executive Committee members (our Executive KMP), Performance Share Units (PSUs).

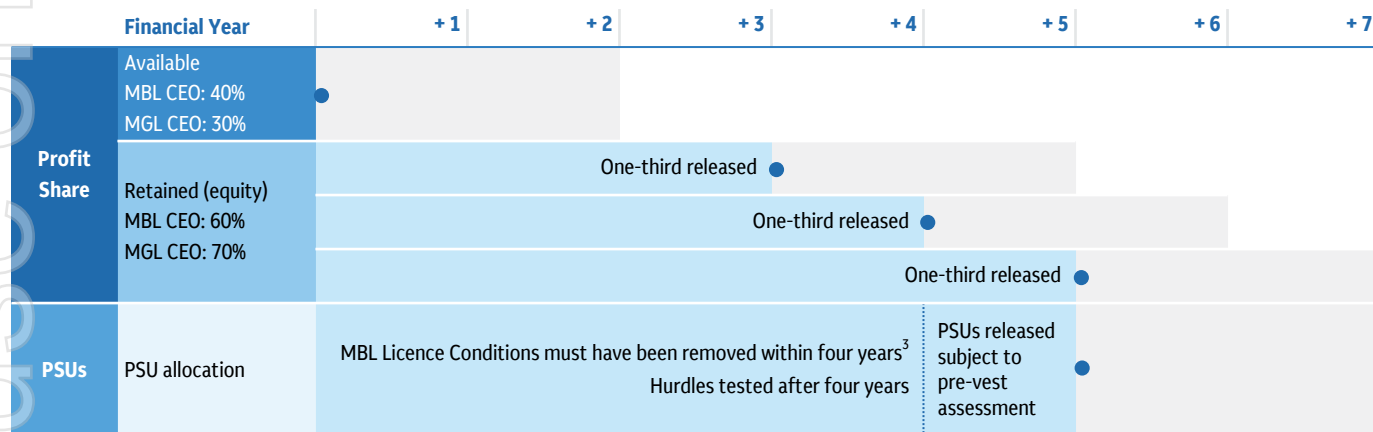
The table below and diagram opposite summarise the framework for FY2025.

FY2025 remuneration framework		
Fixed remuneration		
<ul style="list-style-type: none"> primarily comprises base salary, as well as superannuation contributions and standard country-specific benefits in line with local market practice for Executive KMP, is set at a comparatively low level, relative to the industry, and is a low proportion of total remuneration but sufficient to avoid inappropriate risk-taking is reviewed annually and reflects technical and functional expertise, role scope, market practice and regulatory requirements for risk and financial control staff, is generally a higher proportion of total remuneration than for revenue-generating staff. 		
Performance-based remuneration		
Criteria	Profit Share	Performance Share Units
 Eligibility	<ul style="list-style-type: none"> all permanent employees 	<ul style="list-style-type: none"> Executive Committee members
 Determination	<ul style="list-style-type: none"> allocations reflect an individual's performance, which is assessed against a range of financial and non-financial factors including: <ul style="list-style-type: none"> financial/business results risk management and compliance business leadership including outcomes for customers/clients and the community people leadership and professional conduct 	<ul style="list-style-type: none"> individual allocations reflect their role as members of the Executive Committee and their contribution to driving the collective performance of MBL and the Macquarie Group allocations are based on the face value of shares on the grant date allocations are subject to Board discretion
 Structure	<ul style="list-style-type: none"> significant proportion is retained (60% for the MBL CEO, 70% for the MGL CEO and 50% for other Executive KMP) long deferral periods (three to five years for the MBL CEO, MGL CEO and other Executive KMP) retained profit share is invested in a combination of MGL equity and Macquarie-managed fund equity 	<ul style="list-style-type: none"> PSUs are structured as Deferred Share Units (DSUs) with no exercise price² PSUs vest after five years for the MBL CEO and MGL CEO and four years for other Executive KMP, subject to: <ul style="list-style-type: none"> the removal of the MBL Licence Conditions the achievement of two performance hurdles (no retesting of hurdles) a pre-vest assessment PSU holders have no right to dividend equivalent payments
 Malus and Clawback	<ul style="list-style-type: none"> Malus applies to all awards Clawback applies to all Executive KMP and certain employees identified under APRA Prudential Standard CPS 511 <i>Remuneration</i> (CPS 511) or UK and European remuneration regulation 	<ul style="list-style-type: none"> Malus and Clawback apply to all awards
 Forfeiture	<ul style="list-style-type: none"> retained profit share is subject to forfeiture upon leaving the Macquarie Group except in certain circumstances 	<ul style="list-style-type: none"> invested PSUs are subject to forfeiture upon leaving the Macquarie Group except in certain circumstances

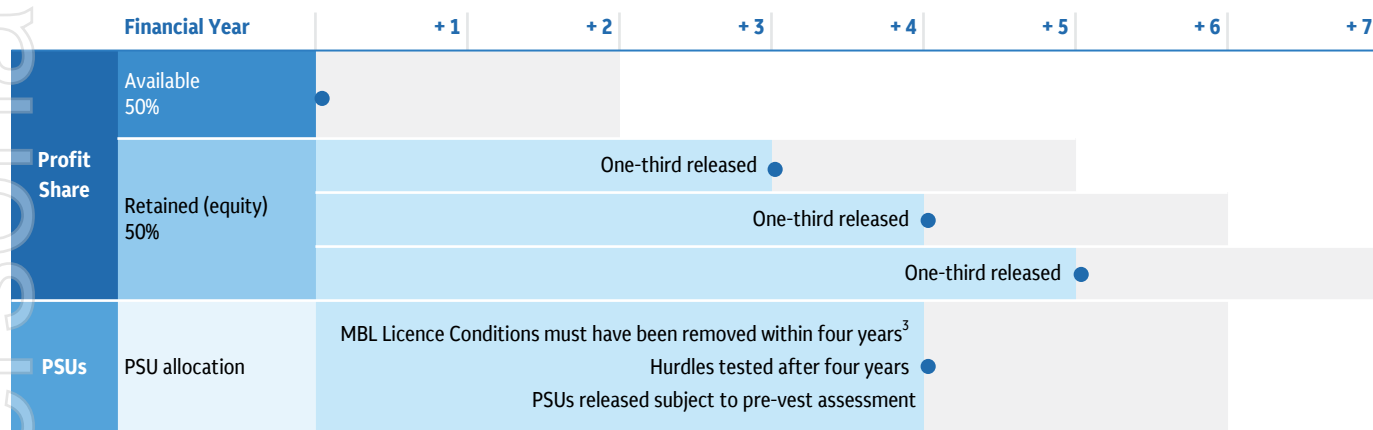
² A DSU is a Deferred Share Unit and is an award type under the Macquarie Group Employee Retained Equity Plan (MEREP). For further details, refer to Note 29 *Employee equity participation* to the financial statements in the Financial Report.

The diagram below illustrates the long time horizons over which performance-based remuneration for Executive KMP is determined, delivered and subject to risk adjustments.

For the MBL CEO and MGL CEO



For other Executive KMP⁴



Key

- Payment or vesting (shortly after the end of the relevant year)
- Period subject to Malus
- Period subject to Clawback

³ Additional qualifying condition applicable to FY2025 PSU allocations. For vesting to occur, the MBL Licence Conditions must have been removed by 30 June 2029 (see pages 47-48).

⁴ Based on standard profit share retention and vesting arrangements for FY2025 for other Executive Committee members (see page 44).

Remuneration Report

Continued

Profit share

This section describes the way in which profit share is determined, structured and delivered.

Annual process to determine profit share outcomes

Profit share allocations are determined through a principles-based approach, which considers individual, business group and company-wide performance. At all levels, profit share determinations take into account risk management, compliance and conduct.

Individual profit share allocations

Individual profit share allocations reflect an employee's performance against their objectives, which are formally assessed annually. At the beginning of the performance cycle, employees set performance objectives based on four factors (three non-financial and one financial), as relevant to their role. At the end of the year, permanent employees are required to have a formal Year in Review conversation with their manager. The Year in Review comprises two core components:

- **What** was achieved over the past 12 months, measured against their objectives under the four factors
- **How** the objectives were achieved, measured against Macquarie's cultural/behavioural standards.

The below table outlines the areas considered under each factor when assessing performance and determining remuneration outcomes.

Areas considered	
Financial/ business results	<ul style="list-style-type: none"> • for revenue-generating staff, based on individual contribution to business profitability (including consideration of capital and risk-adjusted returns) • for risk and financial control staff, primarily based on delivery of or contribution to high-quality risk and control functions, services and outcomes • for other Central Service Group staff, based on delivery of or contribution to high quality services to support the businesses • for all staff, the management of costs and investment in people and technology to ensure ongoing robustness of the risk management framework.
Risk management and compliance	<ul style="list-style-type: none"> • demonstrating a strong understanding of the importance of compliance with relevant regulatory obligations • the identification, escalation, ownership and successful management of MBL-specific financial and non-financial risks including compliance with Banking licence requirements and obligations and prudential standards • the management of MBL's funding and capital management strategy and the MBL liquidity and stress testing frameworks • motivating a culture of disciplined risk management, and regulatory, policy and business compliance.
Business leadership	<ul style="list-style-type: none"> • focuses on sustainable business growth and innovation by prioritising long term and scalable solutions over tactical fixes • delivering appropriate solutions for our customers and the communities in which we operate • maintaining and leveraging relationships with external and internal stakeholders (including regulators, customers, clients, communities and suppliers) • seeking out and valuing collaboration and diverse perspectives (internally and externally), including collaborating with others to solve issues and challenges across Operating and Central Service Groups.
People leadership and professional conduct	<ul style="list-style-type: none"> • upholding Macquarie's <i>What We Stand For</i> values and complying with all operational requirements, regulatory obligations, relevant laws, policies and procedures, including the <i>Code of Conduct</i> • promoting institutional knowledge-sharing talent development and succession planning • fostering an environment where staff feel comfortable to admit mistakes and raise issues or concerns • fostering a diverse and inclusive work environment, including adherence to the Workforce Diversity Policy • for all people managers, performance against a people management objective aligned to our purpose and culture.

Three of these four factors are non-financial, with considerations given to each in varying proportions to reflect an individual's role and responsibilities. Individual profit share allocations also consider relativities in the markets in which each business competes for talent.

When determining individual profit share allocations, consideration is given to any matters raised in the independent reports provided to the BRC by the Chief Risk Officer (CRO) and the Head of Internal Audit, or matters raised through the consequence management process, which may result in downward adjustments to profit share allocations for relevant individuals (see page 53). Significant judgement is applied in determining remuneration outcomes to ensure all factors that may potentially impact the quantum of profit share allocations are considered.

Profit share pools

The initial business group profit share pools are determined through a combination of a top-down and bottom-up approach. The company-wide profit share pool is an aggregate of the assessments conducted at both the business group and individual level.

The profit share pools reflect consideration of the factors below:

Operating / Central Service Group Level			
Financial performance	Risk management	Business-specific considerations	Market position and trends
<p>For Operating Groups:</p> <ul style="list-style-type: none"> contribution to company-wide profits return on regulatory capital funding requirements and usage. <p>For Central Service Groups, based on the quality and integrity of control functions and support services and not primarily determined with reference to profitability.</p>	<ul style="list-style-type: none"> risk profile of the business (e.g. capital usage) extent and nature of financial and non-financial risks including any significant reputational, cultural or compliance matters regulatory environment and regulatory risk considerations. 	<ul style="list-style-type: none"> innovation, new business development (including acquisitions) and maturity of the business reliance on intellectual versus financial capital customer, client and community outcomes impact of one-time gains/losses. 	<ul style="list-style-type: none"> overall remuneration levels in the market in which each business operates staff retention considerations.

Macquarie Bank level

Additional considerations at a Macquarie Bank level include:

- profitability, including the balance of profit distribution between employees and MGL's shareholders
- capital metrics (including prudential ratios) and liquidity considerations
- impact of the profit share pool on Macquarie Bank's capital position and the ability to strengthen its capital base, as confirmed by the Chief Financial Officer (CFO)
- reasonableness of the resultant estimated MGL compensation expense to income ratio and how it compares to that of external comparators
- regulatory considerations, including any company-wide risk and conduct matters
- factors that impact the macro environment in which Macquarie Bank operates, including those that may affect its ability to attract and retain high-performing staff
- CRO and Head of Internal Audit confirmation that all relevant risk and internal audit matters have been considered.

The Board retains discretion to amend the profit share pool as determined in accordance with the above process to ensure all relevant factors, including risk and conduct matters, have been appropriately taken into consideration.

Remuneration Report

Continued

Retained profit share: retention and vesting

A percentage of each individual's annual profit share allocation is retained (retained profit share) above certain thresholds. While they are employed, an individual's retained profit share vests and is released over a period that reflects the scope and nature of their role and responsibilities.⁵ These arrangements ensure that Macquarie Bank continues to retain high-performing staff, provide significant long-term alignment to MGL's shareholders and customers, as well as enable risk outcomes to be considered over a longer period.

Retention and vesting arrangements are determined by the BRC according to prevailing market conditions, remuneration trends, and regulatory requirements (including CPS 511, the Banking Executive Accountability Regime (BEAR) and the Financial Accountability Regime (FAR)). For each year's allocation, once the vesting period has been determined it remains fixed for that allocation.

The table below summarises the standard retention and vesting arrangements applicable for FY2025. These vesting periods do not include the performance year but begin following the date remuneration is awarded.

Standard profit share retention and vesting arrangements for FY2025

Role	Profit share retention (%)	Vesting and release of profit share
MBL CEO	60	
MGL CEO	70	
Other Executive Committee members	50	One-third in each of years 3-5
Other Executive Directors ^{6,7}	40	
Staff other than Executive Directors ^{7,8}	25-40	One-third in each of years 2-4

The Board's discretion to change remuneration arrangements, as noted above, includes changes to profit share retention levels provided that at least 30% of profit share is retained for all Executive Directors.

⁵ Profit share that is not retained (available profit share) is delivered in cash except for certain staff subject to requirements under UK or European remuneration regulations, where 50% of available profit share is delivered in Macquarie equity and is subject to either a 6-month or 12-month hold period, as applicable.

⁶ Other Executive Directors include staff other than the CEOs and Executive KMP who are specified under CPS 511 as Senior Managers or Material Risk Takers.

⁷ For certain staff subject to UK or European remuneration regulations, up to 60% may be retained. Retained profit share invested in Macquarie equity may be subject to a further 6-month or 12-month hold post the vesting period.

⁸ Above certain monetary thresholds.

Investment of retained profit share

An individual's retained profit share is invested in a combination of MGL ordinary shares under the Macquarie Group Employee Retained Equity Plan (MEREP) and Macquarie-managed fund equity notionally invested under the Directors' Profit Share (DPS) Plan.⁹ The allocation reflects the nature of their role and responsibilities as set out in the table below.

Standard investment of retained profit share for FY2025

Role	Retained profit share investment	
	MEREP (MGL ordinary shares) %	DPS Plan (Macquarie-managed fund equity) %
MBL CEO and MGL CEO	90	10
Other Executive Committee members	80-90	10-20
Other Executive Directors ¹⁰	80-100	0-20
Staff other than Executive Directors	100	0

In addition to the arrangements set out in the tables above, different arrangements may apply in certain circumstances:

- retention rates and vesting and release schedules may vary for certain groups of staff who have become employees as a result of an acquisition, or for staff in certain jurisdictions, for example in the UK or European Union (EU), to ensure compliance with local regulatory requirements
- in limited circumstances, and only with the approval of the BRC, retained profit share may be allocated under arrangements other than the MEREP or the DPS Plan. For example, this may include investment in funds or products of a specific business group where there is a need to directly align the interests of staff with those of their clients.

Forfeiture - Malus and Clawback

For all staff, the Board has the ability to reduce or eliminate unvested retained profit share in certain circumstances (Malus). For certain staff identified under CPS 511 or UK and European remuneration regulations, the Board also has the ability to recover (in whole or in part) vested profit share in certain circumstances (Clawback). For more details on the Malus and Clawback provisions, see page 52.

Vesting and release of retained profit share upon departure from the Macquarie Group

The standard policy is that staff who cease employment with the Macquarie Group will forfeit their unvested retained profit share. The Board may exercise discretion for the vesting and release of a departing employee's retained profit share after their employment has ended including, for example, in the case of retirement from Macquarie, redundancy, death, serious incapacitation, disability, or serious ill-health. Where such discretion is exercised, the release of any profit share may be subject to Malus and/or Clawback, as applicable, and the Board may impose such other conditions as it considers appropriate. For Executive Directors, the Board's discretion for the vesting and release of retained profit share under these circumstances is subject to the conditions of release as set out below.

Discretion may be exercised in certain other limited exceptional circumstances on the grounds of business efficacy, in relation to strategic business objectives, including in connection with the divestment or internalisation of Macquarie Bank businesses, or when an employee resigns to fulfil a public service role in a governmental organisation or agency. This year there was one executive for whom such discretion was exercised due to the sale of a business.

⁹ Both the MEREP and DPS Plan are fundamental tools in Macquarie Bank's retention, alignment and risk management strategies, encompassing both long-term retention arrangements and equity holding requirements. The MEREP has a flexible plan structure that offers different types of equity grants depending on the jurisdiction in which the participating employees are based. In most cases, the equity grants are in the form of units comprising a beneficial interest in MGL ordinary shares held in a trust for the staff member (Restricted Share Units or RSUs). For further details on the MEREP, refer to Note 29 Employee equity participation to the financial statements in the Financial Report. The DPS Plan comprises exposure to a notional portfolio of Macquarie-managed funds. Retained amounts are notionally invested over the retention period. This investment is described as 'notional' because Executive Directors do not directly hold securities in relation to this investment.

¹⁰ For certain Executive Directors subject to UK or European remuneration regulations, retained profit share is invested 60% in Macquarie equity and 40% in the DPS Plan.

Remuneration Report

Continued

Conditions of release to departing Executive Directors - Post Employment Events

Where discretion has been exercised for the vesting and release of retained profit share to a departing Executive Director, the Board may reduce or eliminate their retained profit share if it is determined that, at any time during their employment or the relevant release periods after their employment, a Malus Event has occurred (as set out on page 52) or they have:

- (a) taken staff to a competitor of the Macquarie Group or been instrumental in causing staff to go to a competitor, or
- (b) joined a competitor of the Macquarie Group or otherwise participated in a business that competes with the Macquarie Group.

Each of the above is a Post Employment Event.

For retained profit share awarded in respect of FY2023 and subsequent years, where the release relates to relevant circumstances other than death or serious disability, the release will occur over the period from 12 months to 24 months after the Executive Director leaves, in accordance with the table below.^{11,12}

From FY2024, for profit share allocations made to Executive KMP and other Executive Directors in specified roles defined under CPS 511 (including those in risk and financial control functions), the release of unvested retained profit share is kept in line with its original vesting schedule (where it relates to relevant circumstances other than death or serious disability). This may result in final vesting being up to five years from the end of employment. There is no change in the timeframe for application of the Post Employment Events set out below.

	First Period	Second Period
Time post-departure	12 months	12 months to 24 months
Unvested retained profit share released	From all but the last 24 months of employment	From the last 24 months of employment
Subject to Malus	No Malus Event during employment or the First Period	No Malus Event during employment, the First Period or the Second Period
Subject to Post Employment Events	No Post Employment Event during employment or during the period expiring 6 months following the end of employment, and No Post Employment Event (a) during the period from 6 months to 12 months following the end of employment	No Post Employment Event during employment or during the period expiring 6 months following the end of employment, and No Post Employment Event (a) during the period from 6 months to 12 months following the end of employment
Where the release is by reason of retirement from the Macquarie Group	As above and in addition, the release is subject to no Post Employment Event (b) during the First Period	As above and in addition, the release is subject to no Post Employment Event (b) during the First or Second Period

In addition to the above, for Accountable Persons under the FAR (Accountable Persons) who are also subject to the transition requirements of the BEAR regarding remuneration, the exercise of discretion for any release of retained profit share following the end of employment will be subject to minimum deferral periods.

Where an Executive Director has a tax liability on termination of employment in respect of any unvested retained profit share, the Board has discretion to release unvested retained profit share up to an amount equal to the Executive Director's tax liability at an earlier time than noted above subject to any legal or regulatory requirements.

¹¹ In the case of death or serious incapacitation, the Board will typically accelerate the vesting of retained profit share and immediately release it.

¹² Awards made in respect of FY2022 and earlier years will remain subject to their original conditions of release to a departing Executive Director, as previously disclosed.

Performance Share Units

This section describes the way in which PSUs are determined, structured and delivered.

Allocation and structure

Executive Committee members are the only staff eligible to receive PSUs, which are determined with reference to Macquarie Group's and Macquarie Bank's performance as a whole. As such they provide an additional incentive to Executive Committee members to drive company-wide performance over the long-term and beyond their Operating and Central Service Group responsibilities. PSU awards are a meaningful incentive but are generally not the major element of an Executive Committee member's total remuneration.

The table below summarises the approach to PSU allocations in respect of FY2025.

1. Pre-grant period (Financial Year (FY))

- Individual PSU allocations are based on performance over the financial year prior to grant (taking into consideration both financial and non-financial factors). Considerations include their role as members of the Executive Committee and their contribution to driving the collective performance of Macquarie Bank, including their collaboration across businesses, progress on company-wide programs and maintaining Macquarie Bank's risk culture.
- The face value of PSUs awarded to each Executive Committee member is approved by the Board as part of the annual remuneration review process. Shareholder approval is also sought at MGL's Annual General Meeting (AGM) to allocate PSU awards to the MGL CEO, who is an Executive Voting Director of MGL.
- PSUs are granted in August each year, after MGL's AGM, in respect of the previous financial year. The number of PSUs allocated is calculated by dividing the face value of the award by the price of MGL ordinary shares on or around the date of grant.
- PSUs are structured as DSUs with no exercise price. Holders have no right to dividend equivalent payments.

2. Performance period (FY+1 to FY+4)

- In addition to the performance hurdles set out below, the FY2025 PSU allocations will be subject to an additional qualifying condition related to the removal of the MBL Licence Conditions. Further detail is set out on the following page.
- PSUs will only become exercisable to the extent that two equally weighted return on equity (ROE) and earnings per share (EPS) performance hurdles are achieved over a four-year performance period. Details of, and the rationale for, the ROE and EPS hurdles are set out below
- The ROE and EPS performance hurdles attached to PSUs are tested at the end of the performance period and the results are reported to the BRC(s).

3. Additional vesting period (FY+5)

- For the MBL CEO and MGL CEO, an additional one-year period applies before PSUs may vest following the end of the four-year performance period.
- For other Executive KMP, PSUs may vest on 1 July following the end of the four-year performance period.

4. Pre-vest assessment (At end of vesting period)

- Prior to vesting of PSU awards, the Board will conduct a holistic assessment of the Executive Committee's collective contribution to driving the performance of Macquarie Bank over the vesting period, based on the extent to which the Executive Committee has:
 - promoted behaviour that is consistent with and reflects Macquarie Bank's risk culture, Code of Conduct and the principles of *What We Stand For*
 - overseen the effectiveness of the risk management framework, regulatory compliance, policies and practices in managing key financial and non-financial risks
 - overseen funding, liquidity and capital management to ensure Macquarie Bank's financial soundness.
- Where the Board forms a negative overall assessment of the relevant Executive Committee's collective performance, it will consider whether an adjustment is appropriate, taking into account any mitigating and aggravating factors
- To assist the Board with their determination of an adjustment to the PSU vesting outcome, and to ensure that the determination encompasses all relevant considerations, the BRC will receive regular reporting over the vesting period.

Remuneration Report

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Additional qualifying condition

As set out on page 38, the vesting of the FY2025 PSU allocations for all Executive KMP is subject to the removal of the MBL Licence Conditions, which must have been removed by the end of the four-year performance period, 30 June 2029, for any vesting to occur.

Should the MBL Licence Conditions have been removed by 30 June 2029, then the vesting of the FY2025 PSU allocations will be subject to the achievement of the two performance hurdles, as set out below, and the pre-vest assessment.

Performance hurdles

If the additional qualifying condition has been met, the FY2025 PSU allocations will only become exercisable to the extent that the following performance hurdles are achieved:

	EPS CAGR hurdle	ROE hurdle
Application	50% of PSU award	50% of PSU award
Performance measure	Compound annual growth rate (CAGR) in EPS over the four-year performance period	Relative average annual ROE over the four-year performance period compared to a reference group of international financial institutions The reference group comprises Bank of America Corporation, Barclays PLC, Citigroup Inc., Deutsche Bank AG, Goldman Sachs Group Inc., JP Morgan Chase & Co., Lazard Ltd, Morgan Stanley and UBS AG ^{13,14}
Hurdle	Sliding scale applies: <ul style="list-style-type: none"> • 50% becoming exercisable at EPS CAGR of 7.5% • 100% at EPS CAGR of 12% For example, if EPS CAGR was 9.75%, 75% of the relevant awards would become exercisable	Sliding scale applies: <ul style="list-style-type: none"> • 50% becoming exercisable above the 50th percentile • 100% at the 75th percentile For example, if ROE achievement was at the 60th percentile, 70% of the relevant awards would become exercisable

Rationale for hurdles

The PSU hurdles are periodically reviewed by the BRC to ensure they continue to align the interests of staff and shareholders and provide a challenging but meaningful incentive to Executive Committee members. The BRC's review includes consideration of the most relevant performance metrics to be used as hurdles as well as the levels at which the hurdles are achieved. The international reference group used for the ROE hurdle is also reviewed to determine whether our comparators remain suitable for Macquarie Group's diversified business interests and global footprint. The BRC also considers historical and forecast market data, the views of corporate governance groups, shareholders and regulators, as well as market practice.

The BRC considers both the absolute EPS and relative ROE hurdles to be appropriate for the following reasons:

- EPS and ROE growth drive long-term shareholder value and are appropriate as the Executive Committee can affect outcomes on both measures. In contrast, Total Shareholder Return (TSR) is influenced by many external factors over which executives have limited control

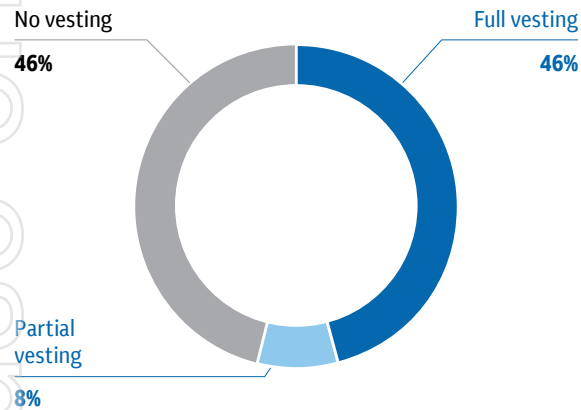
- EPS and ROE can be substantiated using information that is disclosed in MGL's annual reports
- a sliding scale diversifies the risk of not achieving the hurdles and provides rewards proportionate to performance for shareholders and is preferable to an all-or-nothing test, which some have argued could promote excessive risk-taking
- the hurdles are designed to reward sustained strong performance and are relatively well-insulated from short-term fluctuations
- the EPS targets are confirmed as rigorous when market performance is considered, with the EPS threshold hurdle exceeding the performance of most of the ASX20, the international reference group and relevant indices over time
- for the EPS element to fully vest, MGL needs to achieve at least 12% CAGR over the vesting period. Supporting the rigour of the hurdle, cumulative EPS growth of 57% over four years is required to achieve full vesting
- the ROE vesting thresholds and sliding scale are in line with the domestic market and are particularly challenging when compared to international practice.

¹³ Company comparator information is presented in the same order throughout the Remuneration Report.

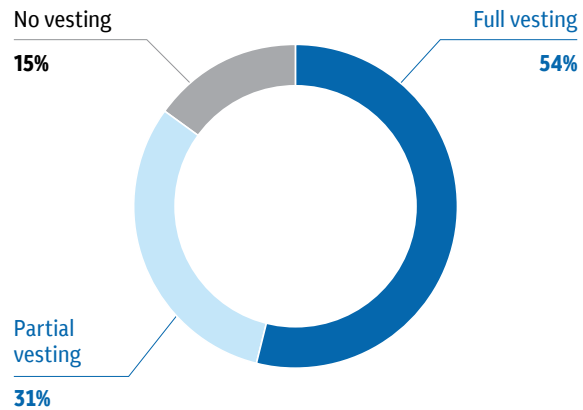
¹⁴ For vested PSU awards made prior to FY2023, the reference group included Bank of America Corporation, Barclays PLC, Credit Suisse, Deutsche Bank AG, Goldman Sachs Inc., JP Morgan Chase & Co., Lazard Ltd, Morgan Stanley and UBS AG.

The charts below display MGL's historical EPS and ROE PSU outcomes, highlighting that since their introduction in 2009, 46% of the EPS tranches and 54% of the ROE tranches have resulted in full vesting.

Historical EPS tranche outcomes



Historical ROE tranche outcomes



Use of an international reference group

The BRC has given careful consideration to the appropriate reference group to use for the relative ROE measure, recognising that Macquarie Group's combination of business activities, size and global footprint means that there are few direct comparators. The BRC's view is that simplistic comparator groups based on a company's country of listing, broad industry categorisation and/or market capitalisation do not accurately reflect the businesses and competitive markets for talent in which we operate.

When assessing and determining the appropriate reference group, the BRC considers the overall size of the reference group, the degree of internationalisation (including the degree to which they compete for shareholder capital, clients and talent in each market), each comparator's overlap with Macquarie Group's revenue mix and the resulting business mix when considered in aggregate. Taking into account these factors, the BRC has selected an international reference group that recognises the extent of Macquarie Group's diversification and internationalisation.

The BRC is mindful that some of Macquarie Group's businesses compete with other types of financial institutions, including asset managers, retail banks, hedge funds and commodity trading houses. However, given differences in business mix, regulatory environment, or the unavailability of public financial information, it does not consider these institutions appropriate for inclusion in the PSU reference group.

The BRC considers the international reference group to be appropriate on the basis that:

- total international income represented approximately 66% of Macquarie Group's total income as at 31 March 2025, with approximately 51% of Macquarie Group's staff located outside Australia¹⁵
- the international reference group is currently most representative of Macquarie Group's business operations and talent pool. These firms broadly operate in the same markets and in similar business segments and compete for the same people as Macquarie Group

- the international reference group members share broadly comparable risk, compliance and regulatory profiles
- Macquarie Group has no directly comparable Australian-listed peers.

While the BRC considers it important not to intervene reactively to remove under-performers or over-performers in order to provide relative stability and transparency across market cycles, it reviews and adapts the reference group as companies, markets and other situations evolve.

Risk adjustment, Malus and Clawback

The Board may determine that a downward adjustment to PSU allocations prior to grant may be appropriate, including a collective adjustment where there has been an adverse outcome for MBL, MGL or their stakeholders. Risk considerations also form part of the pre-vest assessment, as set out above.

In addition, the Malus and Clawback provisions, as set out on page 52, apply to all PSUs granted.

Departure from Macquarie or change in control

The standard policy is that unvested PSUs will be forfeited upon termination of employment. In the case of retirement from Macquarie, redundancy, death, serious incapacitation, disability, serious ill-health or other limited exceptional circumstances, the Board or the BRC has the ability to accelerate the vesting of PSUs (to the extent permitted by law or regulation, for example in the case of death or serious incapacitation) or to take other action, for example to permit the PSUs to continue to vest in accordance with the original award schedule and remain subject to the same performance hurdles.

Should a change of control occur the Board or the BRC has discretion to determine how unvested PSUs should be treated, having regard to factors such as the length of time elapsed in the performance and vesting periods, the level of performance to date, the circumstances of the change in control and any relevant legal or regulatory requirements.

¹⁵ Headcount includes staff employed in certain operationally segregated subsidiaries (OSS).

Remuneration Report

Continued

Executive KMP – PSUs vesting during FY2025

The PSUs that completed their performance period on 30 June 2024 comprised those awards granted in 2020.¹⁶ The performance hurdle tests were performed using data sourced from Bloomberg for all companies in the international reference group (as well as Macquarie) and the calculations were reviewed independently.

The results showed that the performance hurdles:

- based on the EPS CAGR in MGL’s reported financial year was not met, and
- based on MGL’s relative average annual ROE compared to the international reference group was partially met.

As a result, 41% of the awards became exercisable on 1 July 2024 as shown below:

PSU award	EPS CAGR Hurdle			ROE Hurdle		
	MGL result (for vesting period)	Hurdle	Outcome	MGL result (for vesting period)	Hurdle	Outcome
2020 Award	3.75%	50% at 7.5% CAGR 100% at 12% CAGR	0% exercisable	14.80% (66th percentile)	50% above the 50th percentile ¹⁷ 100% at the 75th percentile ¹⁷	82% exercisable

¹⁶ PSUs awarded in each year from FY2020 to FY2023 vest in a single tranche after four years.

¹⁷ International reference group ROE at 50th percentile 12.95% and international reference group ROE at 75th percentile 15.05%.

Culture, accountability and remuneration

This section describes how risk and conduct are considered throughout the remuneration approach.

Our culture including risk culture

Our purpose of 'Empowering people to innovate and invest for a better future' and *What We Stand For* principles of Opportunity, Accountability and Integrity remain pivotal to our culture. Our purpose and principles effectively guide our staff in balancing risk and reward and making decisions that realise opportunity for the benefit of our clients, shareholders, partners and the communities in which we operate. Staff are continually made aware that these principles must form the basis of all behaviours and actions.

These behavioural expectations are outlined in the Board approved *Code of Conduct*, which is actively promoted by management and cascaded through the organisation through multiple mechanisms.

We invest significant time and effort in communicating and reinforcing our culture through communications from senior management, policy reminders, training, and learning and development activities. Risk culture is further reinforced by embedding the behavioural expectation into day-to-day practices.

This is enabled through structural mechanisms, including performance-based remuneration and consequence management.

The Board is able to assess Macquarie Bank's culture in a number of ways including through staff survey results, human capital reporting, strategy presentations, risk culture reports, consequence management reports as well as through personal observation of management, and staff behaviour and actions.

Alignment of remuneration with risk outcomes

The Board considers that the effective alignment of remuneration with prudent risk-taking is fundamental to Macquarie Bank's remuneration approach. To ensure there is appropriate focus on MBL, MBL-specific risk considerations are embedded throughout the remuneration process including through the determination of individual profit share allocations, business group and company-wide profit share pools as well as through the way in which remuneration is structured and delivered.

Prudent risk management is a fundamental part of everyone's role at Macquarie Bank. Staff understand they are assessed and rewarded through profit share not just for **what** they achieve (measured against their objectives under the four factors), but also for **how** those objectives are achieved (measured against Macquarie's cultural/behavioural standards). This assessment includes evaluating an individual's approach to managing risk and recognises behaviours that drive positive risk outcomes and their contribution to Macquarie Bank's risk culture. In addition, formal award programs are in place to recognise individuals or teams across Macquarie Bank who have role modelled excellent risk management behaviours. Profit share allocations also recognise conduct outcomes that are below Macquarie Bank's expectations and staff are aware of the consequences for non-compliance with the risk management framework and the *Code of Conduct*, including, where appropriate, adjustments to performance-based remuneration.

The Board is aware of the increasing focus of regulators and shareholders on ensuring risk-related matters that come to light subsequent to remuneration being awarded are appropriately factored into remuneration decisions. Macquarie Bank's retention and vesting arrangements provide a mechanism for the Board to consider risk outcomes over a longer period. Furthermore, where an investigation has commenced into a risk or conduct-related matter that may result in forfeiture, Malus or Clawback (where applicable – see page 52-53), Macquarie Bank may further defer the payment, vesting and/or release of profit share to allow for the investigation to be completed.

Remuneration Report

Continued

Culture, accountability and remuneration continued

The following mechanisms exist to adjust FY2025 remuneration outcomes for risk and conduct outcomes:

In-year adjustments

Applies to all staff

- for profit share, determined as part of assessing an individual's performance each year, which includes consideration of compliance with the risk management framework and with the behavioural expectations outlined in the *Code of Conduct*
- for PSUs, determined as part of the assessment of Executive Committee members' contribution to driving the collective performance of MBL and the Macquarie Group
- in addition, any outcomes from the consequence management process (such as a formal warning) or the independent reporting from the CRO and Head of Internal Audit are also considered for both profit share and PSUs.

Forfeiture

Applies to all staff

- where an individual's employment is terminated due to a compliance or conduct concern (or they resign), unvested remuneration is forfeited, as per our standard policy.

Malus

Applies to all staff

Malus provisions provide the Board with the ability to reduce or eliminate in full unvested remuneration (including retained profit share and for Executive Committee members, unvested PSUs) where it is determined:

- there was a significant error in or a significant misstatement of criteria on which the remuneration determination was based, or
- the employee has at any time:
 - engaged in misconduct leading to significant adverse outcomes
 - acted dishonestly (including, but not limited to, misappropriating funds or deliberately concealing a transaction)
 - significantly failed in or breached their compliance, accountability or fitness and propriety requirements, or
 - acted or failed to act in a way that contributed to, and/or by virtue of their role or seniority is accountable for:
 - a breach of a significant legal or significant regulatory requirement relevant to Macquarie Bank
 - MGL or MBL making a material financial restatement
 - MGL, MBL or any Group within Macquarie Group incurring significant reputational harm¹⁸
 - MGL, MBL or any Group within Macquarie Group incurring a significant unexpected financial loss, impairment charge, cost or provision
 - a significant failure of financial or non-financial risk management, or
 - a significant adverse outcome for customers, beneficiaries or other stakeholders.

Clawback

Applies to certain senior employees (including Executive KMP)

Clawback provisions provide the Board with the ability to recover in exceptional circumstances (in part or whole) variable remuneration that has already been paid or vested for up to two years from the point of payment or vesting, if it is determined that:

- there was a significant error in or a significant misstatement of criteria on which the remuneration determination was based
- the employee has at any time engaged in misconduct leading to significant adverse outcomes
- the employee has at any time significantly failed in or breached their compliance, accountability or fitness and propriety requirements, or
- the employee has at any time acted or failed to act in a way that contributed to:
 - a significant failure of financial or non-financial risk management, or
 - a significant adverse outcome for customers, beneficiaries or other stakeholders.

Additional provisions may apply to staff in certain jurisdictions to ensure compliance with local regulations. This includes UK and European staff who are subject to additional Malus and Clawback provisions under local regulatory requirements.

The BRC considers whether, and the extent to which, to apply Malus or Clawback, taking into account local employment laws, the nature and circumstances of the event and any other redress that has been or may be applied.

¹⁸ A "Group within Macquarie" is a reference to any Operating Group or Central Service Group within MGL or MBL.

Risk adjustment processes

There are robust processes in place to ensure that all risk, reputation, and conduct-related matters are specifically considered when determining remuneration outcomes. These processes may result in a downward adjustment to group and/or individual profit share allocations where appropriate. A wide range of risks that could have a financial or non-financial impact on Macquarie Bank are considered, including any detriment to customers or impact on prudential standing.

To assist the Board and BRC when determining remuneration outcomes, independent control functions provide input as follows:

Independent control function input when determining remuneration outcomes

Risk Management Group

The CRO provides the BRC with an independent report detailing significant risk matters (financial and non-financial) including those relating to incidents, issues, and regulatory and litigation matters.

Internal Audit

The Head of Internal Audit provides the BRC with an independent report detailing notable internal audit issues and any trends at company-wide or business group level.

Legal

The GGC provides a further source of independent input and, in conjunction with People & Culture (P&C), considers whether there are any incidents (including any breach of the FAR obligations) that should be brought to the attention of the BRC which might require the application of Malus and/or Clawback.

People & Culture

The Chief People Officer (CPO) discusses the reports from the Risk Management Group (RMG) and Internal Audit with the Group Heads to ensure any matters listed in the reports are appropriately reflected in remuneration outcomes for relevant staff and provides reporting to the BRC as well as the joint committee meeting of the BRC, Board Risk Committee (BRiC), Board Audit Committee (BAC) and Board Governance and Compliance Committee (BGCC) on how this has been achieved.

The CPO also annually reports to the BRC on the outcomes from the consequence management process and confirms that these matters have been considered in determining remuneration and promotion outcomes where appropriate.

Consequence management process

Incidents, breaches of policy and misconduct issues are regularly reported to senior management. There are a number of processes in place to ensure consistency (across business groups and staff levels) in the application of consequences and the determination of remuneration outcomes, including the review and challenge by senior management of consequence management outcomes at year end.

Where an investigation has commenced into a risk or conduct-related matter, vesting, payment and/or release of profit share (including available and/or retained amounts) to an employee may be deferred for such a period that Macquarie Bank considers reasonable to allow for the investigation to be completed.

Consequence management outcomes

Macquarie Group's Consequence Management Guideline applies wherever a breach of internal policy or regulatory requirement is identified, including where there has been a breach of FAR accountability obligations. Consequences may include further training, removal of delegated authorities or permissions, adjustments to performance-based remuneration, impact on promotion, formal warnings or termination.

Where an employee has received a formal warning, their performance-based remuneration will likely be impacted and in some cases, reduced to zero. Promotion decisions may also be impacted. Impacts may also be applied where a formal warning has not been issued. In each case, judgement is exercised as to the appropriate consequence(s) based on all the relevant circumstances.

In FY2025, for Macquarie Bank, there were 121 (FY2024: 103) matters involving conduct or policy breaches that resulted in formal consequences. These included 83 (FY2024: 69) *Code of Conduct* or appropriate workplace behaviour related matters and 38 (FY2024: 34) other policy matters including risk management and technology breaches. Of the 121:

- for 46 matters, termination of employment was the outcome (FY2024: 38)
- for 75 matters, a formal warning was issued (FY2024: 65). Additional consequences were applied as appropriate including additional training, adjustments to profit share and/or proposed fixed remuneration increases and/or impact to promotion (18 individuals who received a formal warning subsequently left Macquarie Bank before year-end outcomes were applied and 52 individuals had their profit share reduced by an average of 45%).

The 121 matters were considered isolated incidents and there was no evidence of broader systemic conduct issues.

Remuneration Report

Continued

Further details on the remuneration framework

This section describes other key features of the remuneration framework and of the employment contracts for Executive Committee members.

Other features of the remuneration framework

Role-based allowances	<ul style="list-style-type: none">Role-based allowances are a component of fixed remuneration that may be awarded to certain employees, including those identified as Material Risk Takers under UK or European regulatory requirements. These allowances are determined based on the role and organisational responsibility of the individuals.
Minimum shareholding requirement	<ul style="list-style-type: none">Executive Directors are required to hold a relevant interest in MGL ordinary shares that have a value equal to 5% of an Executive Director's aggregate profit share allocations for each of the past five years (10 years for Executive Committee members), which can be satisfied by the profit share retention requirementsFor Executive Committee members with a minimum of 10 years of service at the Executive Director level, compliance with this policy equates to a minimum shareholding requirement of between 75% to 665% of fixed remuneration based on share values unadjusted for market price changes.
Promotion and New Hire Awards	<ul style="list-style-type: none">Staff who are promoted to or hired at Associate Director, Division Director or Executive Director level receive an allocation of MEREP awards set with reference to an Australian dollar value. Currently these awards range from the equivalent of \$A25,000 to \$A175,000 depending on the Director level.
Hedging	<ul style="list-style-type: none">Macquarie Group prohibits staff from hedging shares held to meet the minimum shareholding requirement and unvested equity held in the MEREP.

Employment contracts

The following table summarises key features of the employment contracts for Executive KMP including the MBL CEO.

Length of contract	Permanent open-ended.
Remuneration review period	1 April to 31 March annually.
Profit share participation	Executive KMP are eligible to be considered for a profit share allocation that ensures a large part of their remuneration is 'at risk'. Refer to pages 42-46 for details.
PSU participation	As Executive Committee members, Executive KMP are eligible to receive PSUs. Refer to pages 47-50 for details.
Termination of employment	Requires no more than three months' notice by Macquarie Bank or the Executive KMP (post employment restrictions apply).
Post employment restrictions	Restrictions include non-solicitation provisions applicable for six months, and paid non-competition provisions applicable, at Macquarie Bank's election, for up to three months post-termination.

Macquarie Bank's performance

Macquarie Bank's results

Net profit after tax (NPAT) has increased 18% compared with the prior year.

	2021	2022	2023	2024	2025 ¹⁹
NPAT attributable to the ordinary equity holder (\$Am)	1,676	2,717	3,905	2,912	3,445

¹⁹ FY2025 NPAT includes \$A610m gain from the sale of Macquarie Corona Energy Holdings Limited and its subsidiaries to Macquarie UK Holdings No.2 Limited, under the Non-Bank Group.

Executive KMP remuneration outcomes for FY2025

This section details the process for determining Executive KMP remuneration outcomes for FY2025 and demonstrates the link between pay and performance.

Process to determine Executive KMP remuneration outcomes

There is a consistent and comprehensive process for the Board and the BRC to assess the performance of the MBL CEO and each Executive KMP during the year to enable them to determine remuneration outcomes at the end of the year. The Board is always mindful of the external focus on overall remuneration levels and has spent considerable time determining remuneration outcomes. The BRC recognises the range of expectations and has made decisions that take into consideration the perspectives of all key stakeholders. Significant judgement is applied to ensure that remuneration outcomes are aligned both with individual and company-wide performance and with outcomes delivered to our stakeholders, our clients and the communities in which we operate.

As part of the Board's annual review of the MBL CEO's performance, the MBL CEO meets with the Board towards the end of the financial year to consider formal documentation that outlines his views of Macquarie Bank's and his own performance. The presentation includes a broad range of Macquarie Bank's activities covering the following main areas:

- financial/business results
- risk management and compliance
- business leadership including customer and community outcomes
- people leadership and professional conduct consistent with the *Code of Conduct* and the principles of *What We Stand For*.

Over the course of the year the Board receives regular reports and updates on many of these areas. These are summarised in the MBL CEO's presentation, together with additional information on matters the Board has identified for further discussion as a part of the review process. The Non-Executive Directors (NEDs) of the Board, in conjunction with the MGL CEO's input, considers the MBL CEO's performance and progress against all of these topics in determining his remuneration for the year.

The MGL CEO annually evaluates the performance of the other Executive KMP and considers the same factors set out above. The Board and the BRC review formal performance assessment documentation for each Executive KMP.

For the CRO and CFO, the Board and the BRC seek to ensure that their performance and remuneration outcomes reflect the independence and purpose of their functions and have not been unduly influenced by the performance of wider business activities.

The BRC also considers risk-related matters raised in the independent reports from the CRO and the Head of Internal Audit.

To ensure all matters are appropriately brought to the BRC's attention and to achieve an integrated approach to remuneration that reflects prudent and appropriate risk management, there is a joint meeting of the BRC, BRiC, BAC and the BGCC.

Finally, the BRC considers remuneration levels for organisations that broadly operate in the same markets and compete for the same people as Macquarie Bank.

Annual remuneration outcomes reflect:

- achievements against a range of financial and non-financial factors
- the recognition that our people are our greatest asset, and the importance of retaining key people to encourage innovation and pursue growth opportunities
- alignment to the outcomes delivered to MBL's stakeholders
- risk management, compliance and conduct outcomes.

Details on specific factors for FY2025 are discussed below.

Executive KMP fixed remuneration outcomes

In line with our pay for performance approach to remuneration, fixed remuneration for our Executive KMP in FY2025 comprised approximately 10% of total awarded remuneration, with the balance at risk and explicitly linked to performance.

There were no fixed remuneration increases for Executive KMP for FY2025, other than to reflect the appointment of Mr Wright to the Executive Committee.

Fixed remuneration remains set at a comparatively low level, relative to the industry, and at a lower proportion of total remuneration, but sufficient to avoid inappropriate risk-taking. No increases are planned for FY2026.

Remuneration Report

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FY2025 Executive KMP profit share outcomes

The Board's determination of remuneration outcomes for FY2025 for the MBL CEO and Executive KMP reflect the following factors:

- overall financial results of Macquarie Bank and the financial performance of each Operating Group, which are underpinned by our unique business mix and differentiated offerings which have enabled us to navigate an uncertain external environment
- continued strategic evolution of our businesses to anticipate shifting market dynamics and make timely investments to generate medium to long-term growth
- ongoing progress to strengthen our risk culture
- increasing collaboration across Operating and Central Service Groups, driven by the MGL CEO, to identify new client opportunities and deliver holistic solutions
- significant efforts to optimise our operating platform to improve efficiency, reduce risk and underpin sustainable long-term growth
- a focus on enabling the adoption of Artificial Intelligence (AI) and leveraging AI to drive productivity benefits and maintain Macquarie's competitive advantage, while managing associated risks
- continued efforts to build robust leadership talent pipelines, including through an enhanced approach to succession planning
- enhancements to our approach to managing non-financial risks, including elevating non-financial risk in RMG's organisational structure to provide a more holistic risk assessment, as well as strategic investment in our risk data and technology to provide actionable and timely insights.

As set out on page 38, despite making many enhancements to strengthen risk culture and non-financial risk frameworks, some risk and regulatory matters occurred during the year which the Board has taken into account in determining remuneration outcomes, including through a reduction in profit share outcomes for the relevant Executive KMP, including the MBL CEO and MGL CEO.

Executive KMP remuneration outcomes have also been considered in the context of the wider workforce. The BRC receives extensive reporting on remuneration outcomes and individually reviews and approves the remuneration of staff who hold regulated roles and other senior staff, and has reviewed overall total remuneration levels across each business to ensure appropriate distribution of remuneration across the organisation.

Link between sustainability considerations and remuneration outcomes

The Board and Management recognise the importance of sound sustainability practices as part of their responsibility to customers, clients, employees and the communities in which Macquarie Bank operates. The Board's and the BRC's assessment of each Executive KMP's performance against the three non-financial performance factors when determining profit share outcomes includes progress on relevant sustainability initiatives.

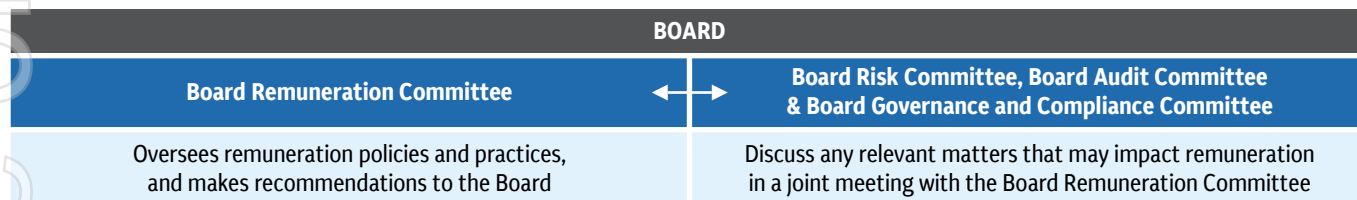
In addition to the process for Executive KMP, sustainability considerations are assessed as part of other employees' individual performance and remuneration determinations where relevant to the responsibilities of their role.



More detailed information on our sustainability approach, including our eight focus areas, is available at [macquarie.com/sustainability](https://www.macquarie.com/sustainability)

Remuneration governance

Effective governance is central to Macquarie Bank's remuneration strategy and approach. The key elements of Macquarie Bank's remuneration governance framework are described below.



Strong Board oversight

The Board oversees Macquarie Bank's remuneration framework and its effective application. The MBL BRC works closely with the MGL BRC to assist the Board with its oversight of remuneration policies and practices applying to staff of Macquarie Bank.

The BRC currently comprises five independent NEDs including two independent BONDS, as set out earlier in the Directors' Report.

The BRC members have the required experience and expertise in human resources, remuneration and risk to enable them to achieve effective governance of the remuneration framework. The BRC has a regular meeting cycle and met seven times during FY2025.

Attendance at meetings by the BRC members is set out on page 27. Strict processes are in place to ensure conflicts of interest are appropriately managed.

BRC responsibilities

The BRC pays close attention to the design and operation of remuneration practices for all Macquarie Bank staff, not just for the most senior executives. The responsibilities of the BRC are outlined in its Charter, which is reviewed and approved annually by the Board.

Some of the responsibilities include:

- overseeing the process for the annual review by the Board of the CEOs' and other Executive KMPs' performance
- recommending to the Board the remuneration outcomes for all Executive KMP, other roles specified under CPS 511 and other senior executives of Macquarie Bank
- assessing the effectiveness of the *Remuneration Policy* to ensure compliance with legal and regulatory requirements, as well as its alignment with Macquarie Bank's strategy to promote its sustainable performance in a manner that supports its long-term soundness
- recommending the *Remuneration Policy* to the Board for approval.

Alignment to risk

The BRC liaises with the BRiC, BAC and BGCC to ensure there is effective co-ordination between the Committees to assist in producing an integrated approach to remuneration that reflects prudent and appropriate risk management.

As set out on page 53, the CRO provides the BRC with an independent report detailing significant risk matters (financial and non-financial) including those relating to incidents, issues,

and regulatory and litigation matters; and the Head of Internal Audit provides an independent report to the BRC on internal audit matters. A joint meeting of the BRC, BRiC, BAC and BGCC is held to discuss these matters, with the CRO and the Head of Internal Audit in attendance. The GGC attends as required to provide a further source of independent input.

Engagement with external stakeholders

The Chair of the Board and the BRC Chair undertook a series of meetings with investors and proxy advisors during the year to communicate our remuneration approach and to hear any concerns raised by the investor community.

Independent remuneration review

The MGL and MBL BRCs (the BRCs) have retained Pay Governance as their independent remuneration consultant, for the use of the MGL and MBL Boards to obtain advice on the appropriateness of Macquarie Group's remuneration framework.

The only service that Pay Governance provides to Macquarie Group is executive compensation consulting to the BRCs. Pay Governance has not made any remuneration recommendations, as defined by the *Corporations Act 2001* (Cth) (the Act). The BRC is responsible for making decisions within the terms of its Charter. Pay Governance's terms of engagement set out their independence from members of Macquarie Group's management. This year, Pay Governance:

- provided information on global remuneration and regulatory trends
- considered alignment with MGL shareholder interests
- compared individual remuneration for Executive KMP where relevant comparator company information was available
- considered Macquarie Group's overall remuneration approach compared to comparator company organisations.

Pay Governance's findings included that:

- the objectives of Macquarie Group's remuneration framework are similar to those cited by other leading global investment banks
- Macquarie Group's remuneration components support its remuneration objectives and principles and are largely consistent with practices at other leading global investment banks, including that performance-based remuneration takes risk management into account.

Remuneration Report

Continued

Non-Executive Director remuneration

The Board seeks to appoint and appropriately remunerate high calibre NEDs. Reflecting the Board's role, the remuneration arrangements applicable to NEDs, as outlined in this section, differ significantly from the arrangements applicable to executives.

Non-Executive Director remuneration

Non-Executive Director fees are set acknowledging the level required to appropriately remunerate highly qualified NEDs who have the relevant skills and experience to govern as a member of the Board.

The NED remuneration framework seeks to remunerate high calibre directors by:

- setting an overall fee that reflects the scale and complexity of the Bank Group (being MBL and its subsidiaries) including additional risk management and regulatory responsibilities and the global financial nature of the Bank Group's activities
- setting MBL Board and Board Committee fees to reflect the time commitment to meet the responsibilities involved in the annual scheduled calendar, taking into account market rates for relevant organisations and market trends
- paying separate fees for additional responsibilities that may arise on an ad hoc basis
- delivering these fees in a form that is not contingent on the Bank Group's performance.

Board and Board Committee fees are reviewed annually. NED remuneration has been reviewed in the context of external market factors, including trend and peer analysis of Australian comparator groups. Having regard to this analysis, given the breadth and scale of Macquarie Bank's business, increase in regulatory responsibilities and overall time commitment required of NEDs, the Board determined to increase BOND member base fees from \$A245,000 to \$A253,000 and increase Board Committee member fees from \$A37,000 to \$A39,000. The fee increases were effective from 1 July 2024.

The MBL and MGL CEOs are not remunerated separately for acting as Executive Voting Directors.

Unlike MBL's executives, NEDs are not granted equity, nor are they eligible to receive profit share payments. There are no termination payments to NEDs on their retirement from office other than payments relating to their accrued superannuation contributions comprising part of their remuneration, if any.

NEDs may elect to receive their remuneration, in part, in the form of superannuation contributions over and above the minimum level of contribution required under applicable legislation.

The NEDs of MGL who are also members of the MBL Board (Common NEDs) receive their Board and Board Committee fees for services provided to MGL and MBL from MGL. The fees paid to Common NEDs in respect of their services to MBL are paid as an aggregate fee by MGL.

The annual Board and Board Committee fees paid to BONDs are received from MBL and set out in the table below.

Annual Director Fees	Chair \$A ²⁰	Member \$A ²¹
Board	-	253,000
Board Audit Committee (BAC)	-	39,000
Board Conflicts Committee (BCC)	80,000	39,000
Board Governance and Compliance Committee (BGCC)	-	39,000
Board Remuneration Committee (BRC)	-	39,000
Board Risk Committee (BRiC)	-	39,000

²⁰ As the Chairs of the Board, BAC, BGCC, BRC and BRiC are each Common NEDs, this amount is received from MGL as part of the relevant Director's aggregate fee.

²¹ This is the aggregate annual fee paid to BONDs, including fees in respect of their attendance at MGL Board and Board Committee meetings.

Appendix 1: Key Management Personnel (KMP) for FY2025

All the individuals listed below have been determined to be KMP for FY2025 for the purposes of the Act and as defined by AASB 124 *Related Party Disclosures*. KMP include Executive Voting Directors and executives with authority and responsibility for planning, directing and controlling the activities of MBL and its controlled entities (together making Executive KMP) and NEDs. MBL's NEDs are required by the Act to be included as KMP for the purposes of disclosures in the Remuneration Report. However, the NEDs do not consider themselves part of management.

Name	Position	Term as KMP for FY2025
Executive Voting Directors		
Stuart D Green	Managing Director and CEO of MBL	Full year
Shemara R Wikramanayake	Managing Director and CEO of MGL	Full year
Common Non-Executive Directors		
Jillian R Broadbent AC	Independent Director	Full year
Philip M Coffey	Independent Director	Full year
Michelle A Hinchliffe	Independent Director	Full year
Susan J Lloyd-Hurwitz	Independent Director	Full year
Rebecca J McGrath	Independent Director	Full year
Mike Roche	Independent Director	Full year
Glenn R Stevens AC	Independent Chair	Full year
Bank-only Non-Executive Directors		
Wayne S Byres	Independent Director	Full year
Michael J Coleman	Independent Director	Ceased to be a member of the Board from 26 July 2024
Ian M Saines	Independent Director	Full year
David J.K Whiteing	Independent Director	Full year
Executives²²		
Evie N Bruce	GGC and Head of LGG	Full year
Andrew F Cassidy	CRO and Head of RMG	Full year
Alex H Harvey	CFO and Head of FPE	Full year
Nicole G Sorbara	COO and Head of COG	Full year
Greg C Ward	Head of BFS	Full year
Simon L Wright	Head of CGM	Full year

²² Except where otherwise indicated, all executives and Executive Voting Directors were members of the Executive Committee as of 9 May 2025. Simon Wright, Head of CGM, was appointed to the Executive Committee on 1 April 2024.

Remuneration Report

Continued

Appendix 2: Executive KMP remuneration disclosure (in accordance with Australian Accounting Standards)

Name	Position	Year	SHORT-TERM EMPLOYEE BENEFITS		Total short-term employee benefits \$A
			Salary (including superannuation) \$A	Performance related remuneration \$A	
Executive Voting Directors					
Stuart D Green	Managing Director and CEO of MBL	2025	1,326,526	1,548,000	2,874,526
		2024	1,323,893	1,500,000	2,823,893
Shemara R Wikramanayake	Managing Director and CEO of MGL	2025	737,454	3,260,250	3,997,704
		2024	737,075	3,438,697	4,175,772
Executives					
Evie N Bruce	GGC and Head of LGG	2025	540,364	783,900	1,324,264
		2024	594,426	795,708	1,390,134
Andrew F Cassidy	CRO and Head of RMG	2025	625,160	1,783,130	2,408,290
		2024	631,114	1,576,993	2,208,107
Alex H Harvey	CFO and Head of FPE	2025	589,539	1,874,944	2,464,483
		2024	521,006	1,580,832	2,101,838
Nicole G Sorbara	COO and Head of COG	2025	853,501	2,569,667	3,423,168
		2024	842,931	2,557,615	3,400,546
Greg C Ward	Head of BFS	2025	1,120,158	5,250,000	6,370,158
		2024	1,120,562	5,000,000	6,120,562
Total Remuneration - Comparable Executive KMP²³		2025	5,792,702	17,069,891	22,862,593
		2024	5,771,007	16,449,845	22,220,852
New and Former Executives					
Nick O'Kane ²⁴	Former Head of CGM	2025	-	-	-
		2024	900,051	-	900,051
Simon L Wright ²⁵	Head of CGM	2025	988,458	9,535,734	10,524,192
		2024	-	-	-
Total Remuneration - Executive KMP (including former Executives)		2025	6,781,160	26,605,625	33,386,785
		2024	6,671,058	16,449,845	23,120,903

²³ Comparable Executive KMP are KMP who are members of the Executive Committee for the full year in both FY2025 and FY2024.

²⁴ Mr O'Kane ceased to be a member of the Executive Committee on 27 February 2024 and resigned from Macquarie effective 18 March 2024. In compliance with Macquarie's standard remuneration arrangements and as a result of his resignation, Mr O'Kane forfeited his unvested retained profit share and unvested PSUs. In accordance with accounting requirements this resulted in a net reversal of previously recognised remuneration expense consisting of \$A9.1 million for forfeited retention notionally invested in Macquarie-managed fund equity and \$A29.4 million of amortisation for forfeited equity awards during FY2024.

²⁵ Mr Wright was appointed to the Executive Committee on 1 April 2024.

LONG-TERM EMPLOYEE BENEFITS			SHARE BASED PAYMENTS			Total Remuneration \$A	Percentage of remuneration that consists of PSUs %
Restricted profit share \$A	Other long-term employee benefits \$A	Total long-term employee benefits \$A	Equity awards \$A	PSUs \$A	Total share-based payments \$A		
232,200	58,741	290,941	1,619,916	1,583,505	3,203,421	6,368,888	25%
225,000	69,930	294,930	1,295,980	1,276,407	2,572,387	5,691,210	22%
760,725	389,484	1,150,209	8,352,178	638,798	8,990,976	14,138,889	5%
802,363	861,657	1,664,020	7,808,563	526,944	8,335,507	14,175,299	4%
78,390	14,947	93,337	464,316	744,875	1,209,191	2,626,792	28%
79,571	11,184	90,755	360,867	620,105	980,972	2,461,861	25%
178,313	34,401	212,714	1,031,866	970,156	2,002,022	4,623,026	21%
157,699	32,156	189,855	745,568	768,061	1,513,629	3,911,591	20%
187,494	82,856	270,350	2,024,010	560,200	2,584,210	5,319,043	11%
158,083	128,164	286,247	1,811,346	511,574	2,322,920	4,711,005	11%
256,967	119,757	376,724	2,905,000	811,026	3,716,026	7,515,918	11%
255,761	208,352	464,113	2,939,337	827,671	3,767,008	7,631,667	11%
1,050,000	419,694	1,469,694	4,677,467	1,078,347	5,755,814	13,595,666	8%
1,000,000	741,822	1,741,822	4,684,026	838,734	5,522,760	13,385,144	6%
2,744,089	1,119,880	3,863,969	21,074,753	6,386,907	27,461,660	54,188,222	
2,678,477	2,053,265	4,731,742	19,645,687	5,369,496	25,015,183	51,967,777	
-	-	-	-	-	-	-	-
(9,076,201)	262,941	(8,813,260)	(25,634,623)	(3,810,064)	(29,444,687)	(37,357,896)	10%
953,573	11,653	965,226	5,972,428	304,848	6,277,276	17,766,694	2%
-	-	-	-	-	-	-	-
3,697,662	1,131,533	4,829,195	27,047,181	6,691,755	33,738,936	71,954,916	
(6,397,724)	2,316,206	(4,081,518)	(5,988,936)	1,559,432	(4,429,504)	14,609,881	

Remuneration Report

Continued

Additional information regarding the statutory remuneration disclosures set out in this Appendix

The remuneration disclosures set out in this Appendix have been prepared in accordance with Australian Accounting Standards.

Under the requirements of AASB 124 *Related Party Disclosures*, the remuneration disclosures for the years ended 31 March 2025 and 31 March 2024 only include remuneration relating to the portion of the relevant periods that each person was an Executive KMP.

The following information provides more detail regarding some of the column headings in this Appendix:

1. Short-term employee benefits:
 - (a) Salary: includes salary, superannuation, any accrual for long service leave and other benefits.
 - (b) Performance-related remuneration: this represents the cash portion of each person's profit share allocation for the reporting period as an Executive KMP.
2. Long-term employee benefits:
 - (a) Restricted profit share: this represents the amount of retained profit share awarded for the current period that is deferred to future periods and held as a notional investment in Macquarie-managed fund equity (DPS Plan).
 - (b) Other long-term employee benefits represents: Profit share amounts retained under the DPS Plan are notionally invested in Macquarie-managed funds, providing Executive Directors with an economic exposure to the underlying investments. Executive Directors are each entitled to amounts equivalent to the investment earnings (dividends/distributions and security price appreciation) on the underlying securities. The notional returns are calculated based on Total Shareholder Return. Where these amounts are positive, they may be paid to Executive Directors and are included in these remuneration disclosures as part of "Other long-term employee benefits". If there is a notional loss, this loss will be offset against any future notional income until the loss is completely offset and is reported as a negative amount in the same column. These earnings reflect the investment performance of the assets in which prior years' retained amounts have been notionally invested. Their inclusion in the individual remuneration disclosures on the previous pages may, therefore, cause distortions when year-on-year remuneration trends are examined. They do not reflect remuneration review decisions made about the individual's current year performance.
3. Share-based payments:
 - (a) Equity awards including shares: This represents the current year expense for retained profit share that is invested in MGL ordinary shares under the MEREP as described on page 45. This is recognised as an expense over the respective vesting periods, or service period if shorter, as described on page 44 and includes amounts relating to prior years equity awards that have been previously disclosed. Equity awards in respect of FY2025 performance will be granted during FY2026; however, MGL begins recognising an expense for these awards (based on an initial estimate) from 1 April 2024. The expense is estimated using the price of MGL ordinary shares as at 31 March 2025 and the number of equity awards expected to vest. In the following financial year, MGL will adjust the accumulated expense recognised for the final determination of the accounting fair value for each equity award when granted and will use this validation for recognising the expense over the remaining vesting period.
 - (b) PSUs: This represents the current year expense for PSUs that is recognised over the vesting period as described on page 47. This includes amounts relating to prior years' PSU awards. PSU awards in respect of FY2025 will be granted during FY2026; however, MGL begins recognising an expense for these awards (based on an initial estimate) from 1 April 2024. The expense is estimated using the price of MGL ordinary shares as at 31 March 2025 and the number of PSUs expected to vest. The estimate also incorporates an interest rate to maturity of 3.91% per annum (3.98% for grants to the MBL CEO and MGL CEO), expected vesting date of 1 July 2029 (1 July 2030 for the MBL CEO and MGL CEO), and a dividend yield of 3.62% per annum. In the following financial year, MGL will adjust the accumulated expense recognised for the final determination of the accounting fair value for each PSU when granted and will use this validation for recognising the expense over the remaining vesting period. Performance hurdles attached to the PSUs allow for PSUs to become exercisable upon vesting only when the relevant performance hurdles are met. The current year expense is reduced for previously recognised remuneration expense where performance hurdles have not been met, have been partially met or are not expected to be met.

Appendix 3: Non-Executive Director remuneration

The remuneration arrangements for all the persons listed below as NEDs are described on page 58 of the Remuneration Report. Common NEDs receive their entire Board and Board Committee fees from MGL. Further information on the total aggregate fee paid to Common NEDs by MGL can be found on page 139 of the Remuneration Report in the MGL Annual Report.

	Year	Fees \$A	Other benefits \$A	Total remuneration \$A
Common Non-Executive Directors²⁶				
Jillian R Broadbent AC ²⁷	2025	209,375	-	209,375
	2024	199,282	-	199,282
Philip M Coffey	2025	209,375	-	209,375
	2024	205,250	-	205,250
Michelle A Hinchliffe	2025	209,375	-	209,375
	2024	205,250	-	205,250
Susan J Lloyd-Hurwitz ²⁸	2025	188,625	-	188,625
	2024	147,356	-	147,356
Rebecca J McGrath ²⁹	2025	209,375	-	209,375
	2024	204,282	-	204,282
Mike Roche	2025	207,875	-	207,875
	2024	202,250	-	202,250
Glenn R Stevens AC	2025	478,375	-	478,375
	2024	467,500	-	467,500
Nicola M Wakefield Evans AM ³⁰	2025	-	-	-
	2024	69,392	-	69,392
Bank-only Non-Executive Directors				
Wayne S Byres ³¹	2025	369,387	-	369,387
	2024	47,000	-	47,000
Michael J Coleman ³²	2025	132,333	-	132,333
	2024	393,000	-	393,000
Ian M Saines	2025	408,000	-	408,000
	2024	399,000	-	399,000
David J.K Whiteing ³³	2025	405,000	-	405,000
	2024	200,867	-	200,867
Total Remuneration - Non-Executive KMP				
	2025	3,027,095	-	3,027,095
	2024	2,740,429	-	2,740,429

²⁶ Common NEDs receive their entire Board and Board Committee fees from MGL. For further information on the total aggregate fees paid to each of the Common NEDs, please refer to page 139 of the Remuneration Report in the 2025 MGL Annual Report.

²⁷ Ms Broadbent became a member of the MBL and MGL BRICs on 28 July 2023.

²⁸ Ms Lloyd-Hurwitz was appointed to the MBL and MGL Boards as an Independent Voting Director on 28 July 2023 and 1 June 2023, respectively. She became a member of the MBL and MGL BACs and BRCs on 28 July 2023.

²⁹ Ms McGrath ceased to be a member of the MBL and MGL BRCs and was appointed Chair of the MBL and MGL BGCCs on 28 July 2023.

³⁰ Ms Wakefield Evans ceased to be a member of the MBL and MGL Boards on 27 July 2023 and 29 February 2024, respectively. She ceased to be Chair of the MBL and MGL BGCCs and a member of the MBL and MGL BRICs on 27 July 2023.

³¹ Mr Byres was appointed to the MBL Board as an Independent Voting Director and became a member of the MBL BCC on 1 February 2024. He became a member of the MBL BAC, BGCC and BRIC on 26 July 2024.

³² Mr Coleman ceased to be a member of the MBL BRIC and became a member of the MBL BRC on 27 September 2023. He ceased to be a member of the MBL Board, the MBL BCC, BAC, BRC and BGCC on 26 July 2024.

³³ Mr Whiteing was appointed to the MBL Board as an Independent Voting Director and became a member of the MBL BRIC, BCC, BAC and BGCC on 27 September 2023. He ceased to be a member of the MBL BRIC and became a member of the MBL BRC on 26 July 2024.

Remuneration Report

Continued

Appendix 4: Loan disclosures

Loans to Key Management Personnel and their related parties

Details of loans provided by Macquarie Bank to KMP and their related parties are disclosed in the following table.

Name and Position	Balance as at 1 April 2024 ³⁴ \$A'000	Interest charged \$A'000	Write downs \$A'000	Balance as at 31 March 2025 ³⁵ \$A'000	Highest balance during the year \$A'000
Non-Executive Directors					
Rebecca J McGrath (related party)	-	35	-	817	826
Ian M Saines (related party)	-	7	-	320	449
David J.K Whiteing	2,500	129	-	2,500	2,500
Executives					
Andrew F Cassidy	3,428	68	-	3,204	3,429
Alex H Harvey	7,500	245	-	10,359	10,359
Aggregate of KMP and related party loans ³⁶	13,469	484	-	17,236	17,604

This Remuneration Report has been prepared in accordance with the Act. The Remuneration Report contains disclosures as required by AASB 124 *Related Party Disclosures* as permitted by Corporations Regulation 2M.3.03 *Prescribed details*.

Throughout this Remuneration Report financial information for Macquarie Group and Macquarie Bank relating to the years ended 31 March 2021 through to 31 March 2025 has been presented in accordance with Australian Accounting Standards. Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

³⁴ Or date of appointment if later.

³⁵ Or date of ceasing to be a KMP if earlier.

³⁶ The aggregate of KMP and related party loans includes all loans to KMP (including their related parties) and the table above details KMP (including their related parties) with loans above \$A100,000 during FY2025. All loans provided by Macquarie Bank to KMP are made in the ordinary course of business on an arm's length basis and are entered into under normal terms and conditions consistent with other customers and employees. There have been no write-downs or allowances for doubtful debts.



Non-audit services

Fees paid or payable to PwC, being the auditor of the Consolidated Entity, for non-audit services during the year ended 31 March 2025 total \$A9.1 million (2024: \$A10.3 million). Further details of amounts paid or payable to PwC and its related practices are disclosed in Note 38 *Audit and other services provided by PricewaterhouseCoopers* in the Financial Report.

The Voting Directors are satisfied that the provision of non-audit services did not compromise the auditor independence requirements of the Act for the following reasons:

- the operation of the Consolidated Entity's *Audit and Assurance Independence Policy*, restricts the external auditor from providing non-audit services under which the auditor assumes the role of management, becomes an advocate for the Consolidated Entity, audits its own professional expertise, or creates a mutual or conflicting interest between the auditor and the Consolidated Entity. The policy also provides that significant permissible or restricted non-audit assignments awarded to the external auditor must be approved in advance by the BAC or the BAC Chair, as appropriate
- the BAC has reviewed a summary of non-audit services provided by PwC, including details of the amount paid or payable, and has provided written advice to the Board of Directors.

Consistent with the advice of the BAC, the Voting Directors are satisfied that the provision of non-audit services during the year by the auditor and its related practices is compatible with the general standard of independence for auditors imposed by the Act.

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
9 May 2025

Auditor's independence declaration

As lead auditor for the audit of Macquarie Bank Limited for the year ended 31 March 2025, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* (Cth) in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Macquarie Bank Limited and the entities it controlled during the financial year.

Voula Papageorgiou
Partner
PricewaterhouseCoopers

Sydney
9 May 2025

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo
GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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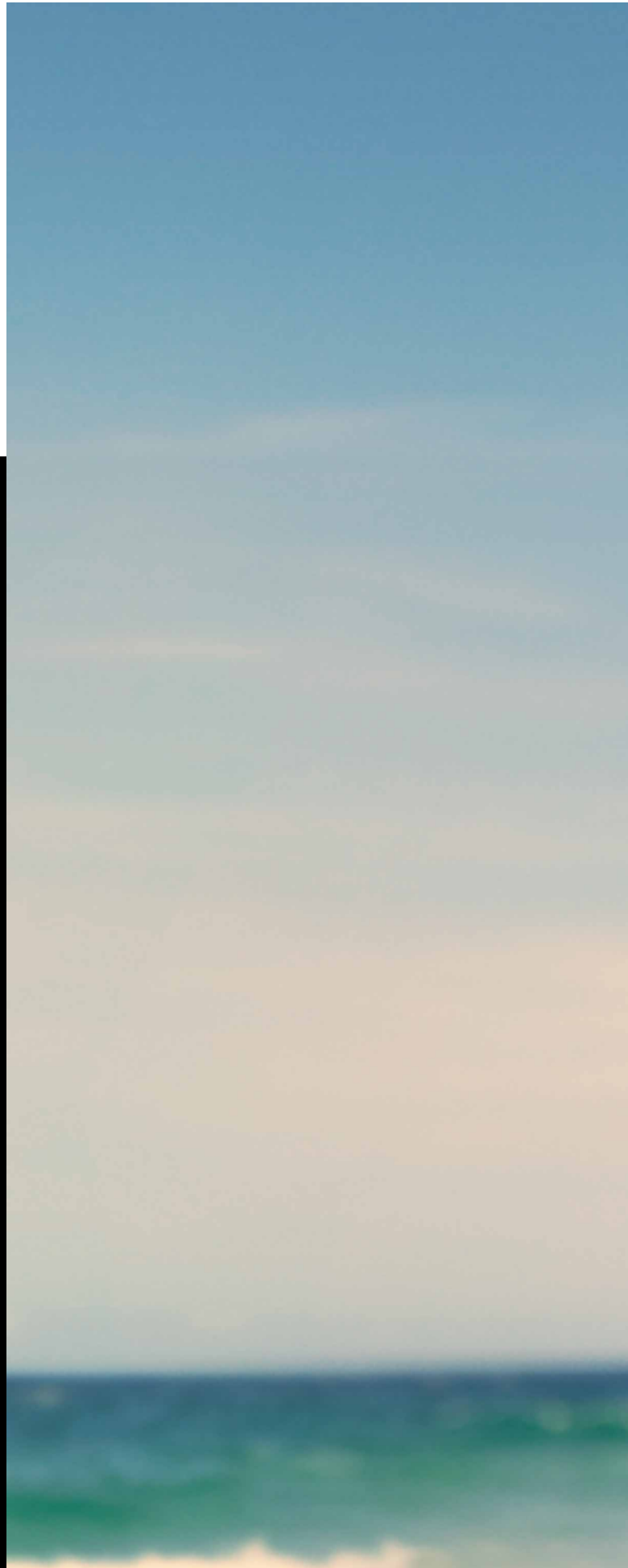
03

Financial Report



I want my savings to take me to a place where I can be financially free.”

Max, Macquarie Bank
savings account customer



Max

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The Financial Report was authorised for issue by the Board of Directors on 9 May 2025.

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

Income statements

For the financial year ended 31 March 2025

	Notes	CONSOLIDATED		COMPANY	
		2025 \$m	2024 \$m	2025 \$m	2024 \$m
Interest income	2	15,185	13,570	14,852	13,332
Interest expense	2	(11,954)	(10,439)	(11,765)	(10,242)
Net interest income		3,231	3,131	3,087	3,090
Net trading income	2	5,025	5,270	3,204	3,146
Net interest and trading income		8,256	8,401	6,291	6,236
Fee and commission income	2	2,610	2,591	939	971
Net credit impairment (charges)/reversals	2	(110)	34	(70)	62
Net other impairment (charges)/reversals	2	(40)	15	13	(32)
Net other operating income	2	1,204	525	1,554	1,059
Net operating income		11,920	11,566	8,727	8,296
Employment expenses	2	(4,811)	(4,911)	(1,411)	(1,493)
Brokerage, commission and fee expenses	2	(644)	(594)	(539)	(513)
Non-salary technology expenses	2	(961)	(942)	(219)	(189)
Other operating expenses	2	(1,063)	(1,044)	(2,828)	(2,698)
Total operating expenses		(7,479)	(7,491)	(4,997)	(4,893)
Operating profit before income tax		4,441	4,075	3,730	3,403
Income tax expense	4	(996)	(1,163)	(627)	(994)
Profit after income tax		3,445	2,912	3,103	2,409
Profit attributable to the ordinary equity holder of Macquarie Bank Limited		3,445	2,912	3,103	2,409

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

Statements of comprehensive income

For the financial year ended 31 March 2025

	Notes	CONSOLIDATED		COMPANY	
		2025 \$m	2024 \$m	2025 \$m	2024 \$m
Profit after income tax		3,445	2,912	3,103	2,409
Other comprehensive income/(loss): ¹					
Movements in items that may be subsequently reclassified to the income statement:					
Fair value through other comprehensive income (FVOCI) reserve:					
Revaluation movement	25	(26)	(24)	(25)	-
Changes in expected credit losses (ECL) allowance	25	-	(2)	(6)	(13)
Cash flow hedges reserves:					
Revaluation movement	25	74	22	77	25
Transferred to income statement on realisation	25	(50)	(33)	(54)	(39)
Cost of hedging reserves:					
Revaluation movement	25	18	(35)	17	(30)
Transferred to income statement on realisation	25	13	13	13	13
Foreign exchange movement on translation and hedge accounting of foreign operations	25	339	197	335	196
Share of other comprehensive income from associates and joint ventures and other reserves	25	10	43	-	-
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)	25	(2)	(9)	(2)	(8)
Others		1	1	-	(1)
Total other comprehensive income		377	173	355	143
Total comprehensive income attributable to the ordinary equity holder of Macquarie Bank Limited		3,822	3,085	3,458	2,552

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

¹ All items are net of tax, where applicable.

Statements of financial position

As at 31 March 2025

	Notes	CONSOLIDATED		COMPANY	
		2025 \$m	2024 \$m	2025 \$m	2024 \$m
Assets					
Cash and bank balances		22,269	28,055	20,100	22,799
Cash collateralised lending and reverse repurchase agreements		60,165	49,575	57,341	47,637
Trading assets	6	29,729	26,628	28,703	25,507
Margin money and settlement assets	7	20,072	16,627	15,973	13,757
Derivative assets	8	23,936	23,766	21,223	19,566
Financial investments	9	17,057	18,974	16,900	18,595
Other assets	10	7,226	8,107	4,298	4,327
Loan assets	11	181,386	156,736	178,994	154,670
Due from subsidiaries	27	-	-	6,130	10,111
Due from other Macquarie Group entities	27	6,297	4,784	5,398	4,058
Property, plant and equipment and right-of-use assets	13	5,989	5,835	4,213	4,125
Investments in subsidiaries	14	-	-	4,122	4,803
Deferred tax assets	15	1,095	1,076	520	516
Total assets		375,221	340,163	363,915	330,471
Liabilities					
Deposits	16	177,671	148,340	176,043	146,500
Cash collateralised borrowing and repurchase agreements		4,692	12,599	4,690	12,547
Trading liabilities	17	5,753	4,937	5,558	4,937
Margin money and settlement liabilities	18	23,610	22,269	20,552	19,239
Derivative liabilities	19	23,184	25,283	21,183	23,060
Other liabilities	20	9,894	10,280	6,258	6,012
Due to subsidiaries	27	-	-	19,453	22,650
Due to other Macquarie Group entities	27	9,065	12,288	8,433	11,878
Issued debt securities and other borrowings	21	85,804	71,939	67,006	51,883
Deferred tax liabilities	15	21	22	22	-
Total liabilities excluding loan capital		339,694	307,957	329,198	298,706
Loan capital	23	12,540	10,825	12,540	10,825
Total liabilities		352,234	318,782	341,738	309,531
Net assets		22,987	21,381	22,177	20,940
Equity					
Contributed equity	24	10,192	10,184	10,024	10,021
Reserves	25	1,616	1,238	928	571
Retained earnings	25	11,179	9,959	11,225	10,348
Total capital and reserves attributable to the ordinary equity holder of Macquarie Bank Limited		22,987	21,381	22,177	20,940
Total equity		22,987	21,381	22,177	20,940

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

Statements of changes in equity

For the financial year ended 31 March 2025

	Notes	Contributed Equity \$m	Reserves \$m	Retained earnings \$m	Total equity \$m
CONSOLIDATED					
Balance as at 1 Apr 2023		10,161	1,057	9,134	20,352
Profit after income tax		-	-	2,912	2,912
Other comprehensive income, net of tax		-	181	(8)	173
Total comprehensive income		-	181	2,904	3,085
Dividends paid	5	-	-	(2,079)	(2,079)
Other equity movements	24	23	-	-	23
		23	-	(2,079)	(2,056)
Balance as at 31 Mar 2024		10,184	1,238	9,959	21,381
Profit after income tax		-	-	3,445	3,445
Other comprehensive income, net of tax		-	378	(1)	377
Total comprehensive income		-	378	3,444	3,822
Dividends paid	5	-	-	(2,224)	(2,224)
Other equity movements	24	8	-	-	8
		8	-	(2,224)	(2,216)
Balance as at 31 Mar 2025		10,192	1,616	11,179	22,987
COMPANY					
Balance as at 1 Apr 2023		10,013	419	10,027	20,459
Profit after income tax		-	-	2,409	2,409
Other comprehensive income, net of tax		-	152	(9)	143
Total comprehensive income		-	152	2,400	2,552
Dividends paid	5	-	-	(2,079)	(2,079)
Other equity movements	24	8	-	-	8
		8	-	(2,079)	(2,071)
Balance as at 31 Mar 2024		10,021	571	10,348	20,940
Profit after income tax		-	-	3,103	3,103
Other comprehensive income, net of tax		-	357	(2)	355
Total comprehensive income		-	357	3,101	3,458
Dividends paid	5	-	-	(2,224)	(2,224)
Other equity movements	24	3	-	-	3
		3	-	(2,224)	(2,221)
Balance as at 31 Mar 2025		10,024	928	11,225	22,177

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

Statements of cash flows

For the financial year ended 31 March 2025

	Notes	CONSOLIDATED		COMPANY	
		2025 \$m	2024 ¹ \$m	2025 \$m	2024 ¹ \$m
Cash flows generated from/(utilised in) operating activities					
Interest income and expense:					
Received		15,173	13,415	14,991	13,049
Paid		(11,969)	(10,080)	(11,827)	(9,905)
Fees, commissions and other income and charges:					
Received		2,689	2,710	933	978
Paid		(635)	(597)	(535)	(506)
Operating lease income received		756	743	584	495
Dividends and distributions received		22	37	1,196	691
Operating expenses paid:					
Employment expenses		(4,341)	(5,266)	(1,249)	(1,556)
Other operating expenses including brokerage, commission and fee expenses		(1,422)	(1,812)	(2,821)	(2,770)
Income tax paid		(647)	(886)	(136)	(333)
Changes in operating assets:					
Loan assets and receivables from Macquarie Group entities		(29,119)	(17,621)	(26,730)	(17,171)
Assets under operating lease		(489)	(643)	(278)	(317)
Other assets (net of liabilities)		(34)	(63)	377	674
Liquid asset holdings		2,701	(1,229)	2,614	(3,371)
Trading and related assets, and collateralised lending balances, including trading balances with Macquarie Group entities (net of liabilities)		1,795	(4,677)	(1,253)	(4,789)
Changes in operating liabilities:					
Deposits		29,169	13,489	29,493	12,691
Issued debt securities, borrowings and other funding		986	2,388	2,122	1,255
Net cash flows generated from/(utilised in) operating activities	26	4,635	(10,092)	7,481	(10,885)
Cash flows generated from/(utilised in) investing activities					
Net proceeds/(payments) for financial investments		14	6	(443)	(299)
Associates, joint ventures, subsidiaries and businesses:					
Proceeds from distribution or disposal, net of cash deconsolidated		797	99	794	32
Payments for additional contribution or acquisitions, net of cash acquired		(62)	(50)	(28)	(46)
Payments for acquisitions of property, plant and equipment		(303)	(979)	(152)	(714)
Net cash flows generated from/(utilised in) investing activities		446	(924)	171	(1,027)
Cash flows (utilised in)/generated from financing activities					
Receipt from issuance of loan capital		1,246	1,246	1,246	1,246
Dividends and distributions paid		(2,224)	(2,079)	(2,224)	(2,079)
Net cash flows utilised in financing activities		(978)	(833)	(978)	(833)
Net increase/ (decrease) in cash and cash equivalents		4,103	(11,849)	6,674	(12,745)
Cash and cash equivalents at the beginning of the financial year	26	46,293	57,868	40,816	53,408
Effect of exchange rate movements on cash and cash equivalents		897	274	778	153
Cash and cash equivalents at the end of the financial year	26	51,293	46,293	48,268	40,816

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

¹ Comparative information has been re-presented to conform to changes in the current financial year. Refer to Note 26 Notes to the *statement of cash flows*.

Notes to the financial statements

For the financial year ended 31 March 2025

Note 1

Basis of preparation

This Financial Report is a General Purpose Financial Report which has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001* (Cth). Macquarie Bank Limited is a for-profit company for the purposes of preparing this Financial Report.

The principal accounting policies adopted in the preparation of this Financial Report are set out in Note 40 *Material accounting policies*. These policies have been consistently applied to all the financial years presented and are applicable to both the Consolidated Entity (Macquarie Bank Limited and its subsidiaries) as well as the Company (Macquarie Bank Limited), unless otherwise stated.

(i) Compliance with IFRS as issued by the IASB

Compliance with Australian Accounting Standards ensures that this Financial Report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this Financial Report is compliant with IFRS.

(ii) Basis of measurement

This Financial Report has been prepared on a going concern basis using the historical cost convention except for the following items, as disclosed in the respective accounting policy:

- financial instruments (including derivatives) required to be measured at fair value through profit or loss (FVTPL); financial assets classified as fair value through other comprehensive income (FVOCI) and financial instruments that have been designated as FVTPL (DFVTPL)
- financial assets and liabilities that are otherwise measured on an amortised cost basis but adjusted for changes in fair value attributable to the risk being hedged in qualifying fair value hedge relationships
- non-current assets and disposal groups that have been classified as held for sale and where a disposal group has been impaired to its fair value less costs to sell
- commodity inventories that are measured at fair value less costs to sell in accordance with the broker-trader exemption.

(iii) Critical accounting estimates and significant judgements

The preparation of this Financial Report in compliance 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. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated Financial Report such as:

- determining the appropriate business model for a group of financial assets which includes determining the level at which the business model condition is applied and whether past or expected sales activity is consistent with a held to collect business model (Note 40(vii))

- assessing whether the cash flows generated by a financial asset constitute solely payments of principal and interest (SPPI) may require the application of judgement, particularly for certain subordinated or non-recourse positions, and in the determination of whether compensation for early termination of a contract is reasonable (Note 40(vii))
- choice of inputs, estimates and assumptions used in the measurement of Expected Credit Loss, including the determination of significant increase in credit risk (SICR), forecasts of economic conditions and the weightings assigned thereto (Note 40(xxi) and Note 12)
- timing and amount of impairment of interests in associates and joint ventures and investment in subsidiaries, including the reversal thereof (Note 40(i), Note 40(xxi) and Note 14)
- determining fair value of assets and liabilities where market-observable inputs are not available including the determination of non-recurring fair values and accounting for day 1 profits or losses for financial instruments (Note 40(vii), Note 40(x) and Note 35)
- determination of significant influence over associates, joint control over arrangements and control over subsidiaries, including the assessment of whether certain rights are protective or substantive in nature, whether these rights are held in the capacity as agent or principal, and whether the level of involvement in an investee's relevant activities is sufficient to significantly affect the returns generated (Note 40(i))
- recoverability of tax receivables, deferred tax assets and measurement of current and deferred tax liabilities can require significant judgement, particularly where the recoverability of such tax balances relies on the estimation of future taxable profits and management's determination of the likelihood that uncertain tax positions will be accepted by the relevant taxation authority (Note 40(vi), Note 4 and Note 15)
- recognition and measurement of provisions related to actual and potential claims, and the determination of contingent liabilities (Note 40(xvii) and Note 30)
- application of hedge accounting principles, including the assessment that a forecast transaction is highly probable (Note 40(x) and Note 32).

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 this 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.

Note 1

Basis of preparation continued

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

(a) AASB 2023-2 Amendments to Australian Accounting Standards - International Tax Reform - Pillar Two Model Rules (AASB 2023-2)

The Pillar Two Model Rules are part of the Organisation for Economic Co-operation and Development's inclusive framework designed to address the tax challenges arising from the digitalisation of the economy. The Pillar Two Model Rules:

- aim to ensure that large multinational groups pay a minimum amount of tax on income arising in each jurisdiction in which they operate; and
- would achieve that aim by applying a system of top-up taxes that results in the total amount of taxes payable on Global Anti-Base Erosion Rules (GloBE) income in each jurisdiction representing at least the minimum rate of 15%.

The Consolidated Entity's Pillar Two Model Rules Project

During 2022, the Consolidated Entity initiated a project to manage the impact of the Pillar Two Model Rules globally. The project's scope is to ensure the Consolidated Entity and its subsidiaries can meet their Pillar Two Model Rules compliance obligations.

As part of the project, the Consolidated Entity is monitoring the progress of the implementation of the model rules into domestic legislation. Certain jurisdictions in which the Consolidated Entity has operations have started to enact the rules generally with operational effect from the Consolidated Entity's 31 March 2025 financial year.

Impacts on financial reporting

In June 2023, the AASB issued AASB 2023-2 which makes amendments to AASB 112 *Income Taxes* with immediate effect. The standard provides a mandatory temporary exception to accounting for deferred taxes arising from the implementation of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development. The Consolidated Entity has applied this exception in preparing its annual Financial Report.

The Consolidated Entity is subject to Pillar Two Model Rules legislation in various jurisdictions. Applicable Pillar Two Model Rules legislation is effective at the reporting date in Australia and a number of offshore jurisdictions in which the Consolidated Entity operates. The Consolidated Entity has recognised an amount of current income tax expense in Note 4 *Income tax expense*.

(b) Other amendments made to existing standards

The amendments made to other existing standards that were mandatorily effective for the annual reporting period beginning on 1 April 2024 did not result in a material impact on this Financial Report.

(v) New Australian Accounting Standards and amendments to Australian Accounting Standards and Interpretations that are not yet effective for the financial year

(i) AASB 18 Presentation and Disclosure in Financial Statements

In June 2024, the Australian Accounting Standards Board (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 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 presentation and disclosure impact of adopting AASB 18.

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

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

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

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

(iii) 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 2024 and have not been early adopted, are not likely to result in a material impact to the Consolidated Entity's Financial Report.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 1

Basis of preparation continued

(vi) Other developments

(a) AASB sustainability reporting standards

The Australian climate-related financial disclosures legislation received Royal Assent in September 2024, the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* ("Act").

Following the Act's enactment, the AASB introduced the first set of Australian Sustainability Reporting Standards (ASRS).

These standards include:

- **AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information***: A voluntary standard that provides entities with a framework for disclosing sustainability-related financial information in a consistent and comparable manner
- **AASB S2 *Climate-related Disclosures***: A mandatory standard requiring entities to disclose detailed information about their governance, strategy, risk management, and metrics and targets related to climate-related risks and opportunities.

In accordance with the Act, Macquarie Group Limited, the Consolidated Entity's ultimate parent company, will prepare a sustainability report for the financial year commencing 1 April 2025.

(b) IBOR reform: Transition from inter-bank offered rates (IBOR) to alternative reference rates (ARRs)

IBOR interest rate benchmarks that are used in a wide variety of financial instruments (such as derivatives and lending arrangements) have undergone, or are undergoing, reform. The nature of such reforms varies by benchmark and jurisdiction.

The Consolidated Entity's IBOR reform project which oversaw the transition of such exposures is materially complete, with limited remaining derivative exposures referencing IBOR (including Polish Warsaw Interbank Offered Rate) undergoing reform as at 31 March 2025.

Note 2

Operating profit before income tax

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Interest income				
Effective interest rate method - Amortised cost	12,084	10,837	11,842	10,623
Effective interest rate method - FVOCI	2,257	2,109	2,203	2,133
Other - FVTPL	844	624	807	576
Total interest income	15,185	13,570	14,852	13,332
Interest expense				
Effective interest rate method - Amortised cost	(11,852)	(10,364)	(11,674)	(10,146)
Other - FVTPL	(102)	(75)	(91)	(96)
Total interest expense	(11,954)	(10,439)	(11,765)	(10,242)
Net trading income¹				
Commodities ²	3,244	3,861	1,440	1,817
Equities	1,110	596	1,015	512
Interest rate, foreign exchange and credit products	671	813	749	817
Net trading income	5,025	5,270	3,204	3,146
Fee and commission income				
Service fee from Macquarie Group entities	1,493	1,482	256	265
Brokerage and other trading-related fees	351	334	232	228
Portfolio administration fees	320	296	64	55
Lending fees	147	150	201	236
Other fee and commission income	299	329	186	187
Total fee and commission income	2,610	2,591	939	971

¹ Includes gains/(losses) for Trading Assets, Derivatives and Other Financial Assets and Financial Liabilities held at fair value including any ineffectiveness recorded on hedging transactions.

² Includes \$603 million (2024: \$640 million) in the Consolidated Entity and \$65 million (2024: \$29 million) in the Company for transportation, storage and certain other trading related costs.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 2

Operating profit before income tax continued

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Credit and other impairment (charges)/ reversals				
Credit impairment (charges)/reversals				
Loan assets ¹	(73)	29	(56)	42
Financial investments, other assets and undrawn credit commitments	(21)	(6)	1	11
Margin money and settlement assets	(17)	11	(16)	8
Gross credit impairment (charges)/reversals	(111)	34	(71)	61
Recovery of amounts previously written off	1	-	1	1
Net credit impairment (charges)/reversals	(110)	34	(70)	62
Other impairment (charges)/reversals				
Intangible and other non-financial assets	(38)	(4)	(5)	-
Interests in associates and joint ventures	(2)	19	-	(3)
Investment in subsidiaries	-	-	18	(29)
Net other impairment (charges)/reversals	(40)	15	13	(32)
Total credit and other impairment (charges)/reversals	(150)	49	(57)	30
Net other operating income				
Investment income				
Net gain/(loss) on sale of interest in associates, joint ventures, subsidiaries and businesses ²	620	31	1	28
Share of net profits from associates and joint ventures	39	41	-	-
Net loss on financial investments and non-financial assets	(35)	(12)	(41)	(7)
Dividends from subsidiaries	-	-	1,196	691
Net investment income	624	60	1,156	712
Operating lease income				
Rental income	845	856	569	574
Depreciation	(425)	(423)	(260)	(252)
Net operating lease income	420	433	309	322
Net other income	160	32	89	25
Total net other operating income	1,204	525	1,554	1,059
Net operating income	11,920	11,566	8,727	8,296

¹ Includes ECL reversal of \$1 million (2024: \$8 million) on Due from subsidiaries for the Company.

² Includes transactions with other Macquarie Group entities, refer to Note 27 - Related party transactions.

Note 2

Operating profit before income tax continued

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Employment expenses				
Salary and related costs including commissions, superannuation and performance-related profit share	(4,042)	(4,137)	(1,149)	(1,193)
Share-based payments	(481)	(446)	(176)	(187)
Provision for long service leave and annual leave	(34)	(34)	(7)	(9)
Total compensation expenses	(4,557)	(4,617)	(1,332)	(1,389)
Other employment expenses including on-costs, staff procurement and staff training	(254)	(294)	(79)	(104)
Total employment expenses	(4,811)	(4,911)	(1,411)	(1,493)
Brokerage, commission and fee expenses				
Brokerage and other trading-related fee expenses	(531)	(486)	(354)	(327)
Other fee and commission expenses	(113)	(108)	(185)	(186)
Total brokerage, commission and fee expenses	(644)	(594)	(539)	(513)
Non-salary technology expenses				
Information services	(144)	(134)	(68)	(62)
Depreciation on own use assets: equipment (Note 13)	(30)	(23)	(7)	(3)
Service provider and other non-salary technology expenses	(787)	(785)	(144)	(124)
Total non-salary technology expenses	(961)	(942)	(219)	(189)
Other operating expenses				
Occupancy expenses				
Lease and other occupancy expenses	(291)	(277)	(68)	(78)
Depreciation on own use assets: buildings, furniture, fittings and leasehold improvements (Note 13)	(124)	(43)	(59)	-
Total occupancy expenses	(415)	(320)	(127)	(78)
Other expenses				
Service cost recoveries by Central Services Group	-	-	(2,445)	(2,285)
Professional fees	(231)	(224)	(92)	(94)
Indirect and other taxes	(78)	(121)	(59)	(68)
Travel and entertainment expenses	(74)	(73)	(23)	(23)
Advertising and promotional expenses	(46)	(44)	(41)	(38)
Fees for audit and other services	(35)	(36)	(26)	(27)
Other	(184)	(226)	(15)	(85)
Total other expenses	(648)	(724)	(2,701)	(2,620)
Total other operating expenses	(1,063)	(1,044)	(2,828)	(2,698)
Total operating expenses	(7,479)	(7,491)	(4,997)	(4,893)
Operating profit before income tax	4,441	4,075	3,730	3,403

Notes to the financial statements

For the financial year ended 31 March 2025 continued

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 senior management for evaluating Operating Segment performance and for deciding how to allocate resources to Operating Segments. Such information may be produced using different measures to that used in preparing the statutory income statement.

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

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

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

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

The Corporate segment, which is not considered an Operating Group, 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 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.

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 derivatives that economically hedge interest rate risk

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 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.

Note 3

Segment reporting continued

(i) Operating segments continued

Central Service Groups

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

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

Performance-related profit share and share-based payments expense

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

Income tax

The income tax expense and benefit is recognised in the Corporate segment and is not allocated to the Operating Groups. However, to recognise an Operating Group's contribution to permanent income tax differences, the internal management revenue/(charge) category is used.

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

Presentation of segment income statements

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

Reportable segment assets

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

Notes to the financial statements

For the financial year ended 31 March 2025 continued

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.

	Banking and Financial Services \$m	Commodities and Global Markets \$m	Corporate \$m	Total \$m
CONSOLIDATED 2025				
Net interest and trading income	2,717	4,736	803	8,256
Fee and commission income	611	525	1,474	2,610
Other operating income and charges				
Net credit and other impairment charges	(45)	(92)	(13)	(150)
Net other operating income and charges	(43)	619	628	1,204
Internal management (charge)/revenue	(3)	16	(13)	-
Net operating income	3,237	5,804	2,879	11,920
Total operating expenses	(1,857)	(2,932)	(2,690)	(7,479)
Operating profit before income tax	1,380	2,872	189	4,441
Income tax expense	-	-	(996)	(996)
Net profit/(loss) contribution	1,380	2,872	(807)	3,445
Reportable segment assets	163,348	149,628	62,245	375,221
CONSOLIDATED 2024				
Net interest and trading income	2,645	4,853	903	8,401
Fee and commission income	554	573	1,464	2,591
Other operating income and charges				
Net credit and other impairment reversals	15	8	26	49
Net other operating income and charges	(6)	522	9	525
Internal management revenue/(charge)	1	23	(24)	-
Net operating income	3,209	5,979	2,378	11,566
Total operating expenses	(1,968)	(2,863)	(2,660)	(7,491)
Operating profit/(loss) before income tax	1,241	3,116	(282)	4,075
Income tax expense	-	-	(1,163)	(1,163)
Net profit/(loss) contribution	1,241	3,116	(1,445)	2,912
Reportable segment assets	141,982	134,456	63,722	340,160

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.

	Banking and Financial Services \$m	Commodities and Global Markets \$m	Corporate \$m	Total \$m
CONSOLIDATED 2025				
Fee and commission income				
Service fee from Macquarie Group entities	-	-	1,493	1,493
Brokerage and other trading-related fees	44	307	-	351
Portfolio administration fees	319	-	-	319
Lending fees	143	5	-	148
Other fee and commission income	105	213	(19)	299
Total fee and commission income	611	525	1,474	2,610
CONSOLIDATED 2024				
Fee and commission income				
Service fee from Macquarie Group entities	-	-	1,482	1,482
Brokerage and other trading-related fees	39	295	-	334
Portfolio administration fees	296	-	-	296
Lending fees	146	4	-	150
Other fee and commission income	73	274	(18)	329
Total fee and commission income	554	573	1,464	2,591

(iii) Products and services

The Consolidated Entity's Operating Segments reflect different core products and services offered by the Group. Refer Note 3(i) *Operating segments* for net operating income contribution by various Operating Segments.

(iv) Geographical areas

Geographical areas have been determined based on the tax domicile of the entity where the transactions have been recorded. The operations of the Consolidated Entity are headquartered in Australia. Income represents net operating income disclosed in the income statement. Non-current assets represents property, plant and equipment and right-of-use assets, intangible assets, interests in associates and joint ventures.

	CONSOLIDATED 2025		CONSOLIDATED 2024	
	Income \$m	Non-current assets \$m	Income \$m	Non-current assets \$m
Australia and New Zealand	5,543	2,175	5,416	2,083
Europe, Middle East and Africa ¹	3,240	3,029	2,868	2,980
Americas ²	2,584	1,181	2,613	1,026
Asia	553	261	669	345
Total	11,920	6,646	11,566	6,434

(v) Major customers

The Consolidated Entity does not rely on any major customers.

¹ Includes income from the United Kingdom of \$2,889 million (2024: \$2,441 million).

² Includes income from the United States of \$2,418 million (2024: \$2,303 million).

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 4

Income tax expense

	CONSOLIDATED		COMPANY	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
(i) Income tax (expense)/benefit				
Current tax expense	(1,020)	(1,106)	(615)	(837)
Deferred tax benefit/(expense)	24	(57)	(12)	(157)
Total income tax expense	(996)	(1,163)	(627)	(994)
(ii) Reconciliation of income tax expense to prima facie tax expense				
Prima facie income tax expense on operating profit @30% (2024: 30%)	(1,332)	(1,223)	(1,119)	(1,021)
Tax effect of amounts which are (non-deductible)/non-assessable in calculating taxable income:				
Rate differential on offshore income	435	84	231	(149)
Intra-group dividends	-	-	359	207
Impairment on subsidiaries	-	-	5	(9)
Other items	(99)	(24)	(103)	(22)
Total income tax expense	(996)	(1,163)	(627)	(994)
(iii) Tax benefit/(expense) relating to OCI				
FVOCI reserve	12	11	14	6
Own credit risk	1	4	1	3
Cash flow hedges and cost of hedging	(21)	15	(21)	15
Share of other comprehensive expense of associates and joint ventures	(3)	(13)	-	-
Total tax benefit/(expense) relating to OCI	(11)	17	(6)	24
(iv) Deferred tax (expense)/benefit represents movements in deferred tax assets and liabilities				
Property, plant and equipment	(20)	(9)	(1)	(17)
Intangible assets	11	42	8	28
Financial investments and interests in associates and joint ventures	11	(16)	(2)	-
Tax losses	(8)	2	-	(4)
Operating and finance leases	(55)	43	(33)	21
Loan assets and derivatives	(13)	(36)	(19)	(148)
Other assets and liabilities	98	(83)	35	(37)
Deferred tax (expense)/benefit	24	(57)	(12)	(157)

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.

Included in the above income tax expense is an accrual for Pillar Two Model Rules tax of \$0.2 million.

Note 5

Dividends

	CONSOLIDATED		COMPANY	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Dividends paid to the parent entity (Macquarie B.H. Pty Limited)				
on 28 March 2025	226	-	226	-
on 28 February 2025	680	-	680	-
on 23 December 2024	221	-	221	-
on 28 June 2024	1,097	-	1,097	-
on 28 March 2024	-	337	-	337
on 29 September 2023	-	623	-	623
on 30 June 2023	-	1,119	-	1,119
Total dividends paid	2,224	2,079	2,224	2,079

Note 6

Trading assets

Equity securities	14,906	18,831	14,904	18,706
Debt securities	4,621	2,853	4,587	2,774
Commodity contracts	3,067	2,980	2,431	2,557
Commodity inventories	7,135	1,964	6,781	1,470
Total trading assets	29,729	26,628	28,703	25,507

The majority of the above amounts are expected to be recovered within 12 months of the balance date by the Consolidated Entity and the Company.

Note 7

Margin money and settlement assets

Margin money	16,366	12,711	13,263	10,660
Security settlement assets	1,890	2,527	1,905	2,477
Commodity settlement assets	1,816	1,389	805	620
Total margin money and settlement assets	20,072	16,627	15,973	13,757

The majority of the above amounts are expected to be recovered within 12 months of the balance date by the Consolidated Entity and the Company.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 8

Derivative assets

	CONSOLIDATED		COMPANY	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Held for trading	23,015	22,982	20,560	18,894
Designated in hedge relationships	921	784	663	672
Total derivative assets	23,936	23,766	21,223	19,566

The majority of the above amounts are expected to be recovered within 12 months of the balance date by the Consolidated Entity and the Company.

Note 9

Financial investments

Equity securities	210	238	138	182
Debt securities:				
Liquid asset holdings	14,127	15,978	14,042	15,978
Bonds, money market and other securities	2,720	2,758	2,720	2,435
Total financial investments	17,057	18,974	16,900	18,595

Of the above amounts, \$1,854 million (2024: \$1,532 million) is expected to be recovered more than 12 months after the balance date by the Consolidated Entity and \$1,785 million (2024: \$1,476 million) by the Company.

Note 10

Other assets

Other financial assets				
Commodity-related receivables	4,345	4,797	2,724	3,062
Trade debtors and other receivables	1,048	1,685	935	864
Fee and commission receivables	110	90	65	62
Total other financial assets	5,503	6,572	3,724	3,988
Other non-financial assets				
Interest in associates and joint ventures	588	505	165	138
Prepayments	421	391	156	78
Income tax receivables	323	298	183	89
Indirect tax receivables	213	117	50	10
Intangible assets	69	95	3	8
Other	109	129	17	16
Total other non-financial assets	1,723	1,535	574	339
Total other assets	7,226	8,107	4,298	4,327

Of the above amounts, \$1,050 million (2024: \$756 million) is expected to be recovered more than 12 months after the balance date by the Consolidated Entity and \$419 million (2024: \$217 million) by the Company.

Note 11

Loan assets

	2025			2024		
	Gross carrying value	ECL allowance	Net carrying value	Gross carrying value	ECL allowance	Net carrying value
	\$m	\$m	\$m	\$m	\$m	\$m
	CONSOLIDATED					
Home loans	143,111	(125)	142,986	120,521	(106)	120,415
Corporate, commercial and other lending	31,752	(284)	31,468	28,952	(340)	28,612
Asset financing	7,022	(90)	6,932	7,814	(105)	7,709
Total loan assets¹	181,885	(499)	181,386	157,287	(551)	156,736
	COMPANY					
Home loans	143,111	(125)	142,986	120,521	(106)	120,415
Corporate, commercial and other lending	30,051	(227)	29,824	27,840	(296)	27,544
Asset financing	6,268	(84)	6,184	6,779	(68)	6,711
Total loan assets¹	179,430	(436)	178,994	155,140	(470)	154,670

Of the above amounts, \$138,132 million (2024: \$130,595 million) is expected to be recovered more than 12 months after the balance date by the Consolidated Entity and \$136,902 million (2024: \$129,278 million) by the Company.

Finance lease receivables

Finance lease receivables are included within loan assets. The Consolidated Entity provides finance leases to a broad range of clients to support financing needs in acquiring movable assets such as motor vehicles, small plant and equipment, electronic and IT equipment.

The following table represents the maturity profile of the contractual undiscounted cash flows of the Consolidated Entity and the Company.

	2025			2024		
	Gross investment in finance lease receivables	Unearned income	Present value of minimum lease payments receivable	Gross investment in finance lease receivables	Unearned income	Present value of minimum lease payments receivable
	\$m	\$m	\$m	\$m	\$m	\$m
	CONSOLIDATED					
Within one year	732	(80)	652	981	(89)	892
Between one to two years	545	(41)	504	649	(63)	586
Between two to three years	266	(21)	245	462	(51)	411
Between three to four years	129	(11)	118	179	(17)	162
Between four to five years	36	(2)	34	108	(10)	98
Later than five years	13	(1)	12	13	-	13
Total	1,721	(156)	1,565	2,392	(230)	2,162
	COMPANY					
Within one year	440	(43)	397	705	(63)	642
Between one to two years	317	(29)	288	419	(40)	379
Between two to three years	202	(17)	185	281	(27)	254
Between three to four years	110	(10)	100	149	(13)	136
Between four to five years	26	(2)	24	88	(8)	80
Later than five years	7	(1)	6	2	-	2
Total	1,102	(102)	1,000	1,644	(151)	1,493

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

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 12

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 loan commitments, certain financial guarantee contracts and letters of credit.

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 predict 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) ('credit inputs') as well as Forward-Looking Information (FLI).

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

The key model inputs used in measuring the ECL include:

- **Exposure at Default (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 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 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.

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 Standard & Poor's and Moody's.

Where an exposures' 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 when compared to lower quality credit rated exposures to be classified as Stage II.

For both retail and wholesale portfolios:

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

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 when 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 12

Expected credit losses continued

Forward-looking information (FLI)

The inclusion of FLI in calculating ECL allowances adjusts the PD, the determination of SICR in retail portfolios as well as the LGD (that is relevant to the determination of the recovery rates on collateral). The predicted relationships between 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 primarily reflect management's assessment of the current economic and credit environment relative to the FLI credit cycle model. These overlays account for the risk that underlying credit risk events have occurred, but observable modelled inputs are yet to reflect those events, as well as risks that are specific to regions, counterparties or industries which are difficult to account for within the modelled outcomes. Over time the credit models are recalibrated to enhance the predictive capability. At the reporting date this overlay was approximately \$150 million (2024: \$150 million). These judgements are reviewed by FPE and RMG at each reporting date.

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

The scenarios have been developed using a combination of publicly available data, internal forecasts and third-party information to form the initial baseline. Internal specialists within the Consolidated Entity are consulted to assist in refining and challenging the baseline and the alternate scenarios. For the current reporting period, the Consolidated Entity has generated three alternate scenarios in addition to the baseline scenario, where the alternate 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.

Where there are limited official data sources against which to benchmark key economic indicators on a forward-looking basis, management exercises judgement when determining the duration, severity and impact of the macroeconomic scenarios used by the Consolidated Entity.

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

The scenarios and the associated probabilities are ultimately 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 geo-political events, emerging trade tensions, 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.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 12

Expected credit losses continued

Forward-looking information (FLI) continued

Scenario	Weighting	Expectation
Baseline A 100% weighting to this scenario would result in a total expected credit loss provision on balance sheet at the reporting date of ~\$400 million ¹	Probable	<p>Global: The baseline scenario assumes that global GDP growth (weighted by market exchange rates) slows from 2.9% over 2024 to 1.7% over 2025 (Q4-over-Q4) as higher trade barriers weigh, with a modest growth in 2026 to 2.4%.</p> <p>Australia: GDP growth is assumed to remain below trend at 1.3% over 2025, recovering to 2.2% in 2026. The unemployment rate is forecast to rise modestly, reaching 4.4% by the end of 2025. The Reserve Bank of Australia (RBA) is expected to further reduce the cash rate by 50 basis points over the remaining period to 3.6% by the end of 2025. House prices are expected to continue their upward trend, rising by a total of 6.4% over the course of 2025 and 2026.</p> <p>United States: GDP growth is assumed to moderate to 0.7% over 2025 from 2.5% in the prior year, and stay below trend in 2026 at 1.9%. The unemployment rate is expected to rise to 4.7% in the last quarter of 2025. The Federal Reserve is expected to hold rates flat in 2025 as inflation moves higher on the back of higher tariffs.</p> <p>Europe: The baseline scenario projects year-end GDP growth will slow to 0.5% in 2025 down from 1.2% in 2024, with a modest rebound to 1.6% in 2026. Unemployment is expected to peak at 6.8% before the end of 2025.</p>
Downside A 100% weighting to this scenario would result in a total expected credit loss provision on balance sheet at the reporting date of ~\$550 million ¹	Possible	<p>Global: The downside scenario projects annual GDP growth that is approximately 1 percentage point lower than the baseline until mid-2026.</p> <p>Australia: The scenario forecasts year-end GDP growth to slow to 0.3% in 2025 before improving to 1.3% in 2026. Unemployment is projected to rise from 4.1% to a peak of 5.4% by the first half of 2026. The RBA cash rate is forecast to rise by 50 basis points in the first half of 2025 followed by 175 basis points of cuts starting in the fourth quarter of 2025 and into 2026. House prices are projected to fall 17% by end-2026.</p> <p>United States: The scenario projects a contraction of 0.2% year-on-year in GDP in 2025 on a year-end basis, increasing modestly to 0.9% growth in 2026. The US Federal Reserve is expected to respond to rising consumer prices by increasing interest rates 100 basis points in 2025; a 250-basis points easing cycle is expected in 2026 as authorities respond to weakening economic activity. The unemployment rate is projected to peak at 6.0% in mid-2026.</p> <p>Europe: The scenario projects that Q4-over-Q4 GDP growth will fall to -0.8% in 2025 and then grow by 0.9% in 2026. The unemployment rate is expected to peak at 7.8% in mid-2026.</p>

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 12

Expected credit losses continued

Forward-looking information (FLI) continued

Scenario	Weighting	Expectation
<p>Severe Downside</p> <p>A 100% weighting to this scenario would result in a total expected credit loss provision on balance sheet at the reporting date of ~\$800 million¹</p>	Unlikely	<p>Global: The scenario projects a sharp slowdown in annual GDP growth, around 3 to 3.5 percentage points lower than the baseline by end-2025 and into the first half of 2026.</p> <p>Australia: The scenario projects that GDP will contract for four quarters year-on-year starting in the third quarter of 2025. Growth is expected to turn positive after end-2026. The unemployment rate is projected to reach 6.8% in the second half of 2026. The RBA cash rate is expected to rise by 100 basis points in 2025 in response to inflation, before an anticipated easing cycle of 325 basis points starting in the fourth quarter of 2025. House prices are projected to fall by a total of 26% in the two years to end-2026.</p> <p>United States: The scenario projects that GDP will contract for four consecutive quarters through 2025 and 2026. The US Federal Reserve is projected to initially hike rates by 125 basis points in response to high inflation before sharply cutting rates in response to economic weakness. The unemployment rate is expected to peak at 8.0% in mid-2026.</p> <p>Europe: The scenario projects GDP to contract by 2.1% in the year to December 2025 and a further contraction of 0.7% in 2026. Unemployment is anticipated to peak at 9.0% by mid-2026.</p>
<p>Upside</p> <p>A 100% weighting to this scenario would result in a total expected credit loss provision on balance sheet at the reporting date of ~\$350 million¹</p>	Possible	<p>Global: The upside scenario projects annual growth in global GDP that is approximately 1 percentage point higher than the baseline until mid-2026.</p> <p>Australia: The scenario forecasts annual GDP growth of 2.1% in 2025 followed by 2.9% in 2026 on a Q4-over-Q4 basis. The RBA is expected to cut the cash rate by a further 75 basis points in 2025 to 3.35% and hold rates steady throughout 2026. Unemployment is anticipated to stabilise at around 4.0%. House prices are projected to rise a cumulative 9.7% across 2025 and 2026.</p> <p>United States: The scenario projects year-end annual GDP growth of 1.3% in 2025 and 2.4% in 2026. The US Federal Reserve is expected to make gradual cuts, totalling 75 basis points, over the course of 2025-26. The unemployment rate is projected to gradually decline to 3.7% by end-2026 from 4.0% in mid-2025.</p> <p>Europe: Annual GDP growth is forecast to remain flat at 1.2% in the year to end-2025 and accelerate to 2.1% in 2026. Unemployment is expected to stabilise at roughly 6.1% over the course of 2025-26.</p>

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.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 12

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 commitments subject to the impairment requirements of AASB 9 *Financial Instruments*.

	GROSS EXPOSURE FOR FINANCIAL ASSETS CARRIED AT			Gross exposure \$m	ECL ALLOWANCE ON FINANCIAL ASSETS CARRIED AT			Total ECL allowance \$m
	Amortised cost \$m	FVOCI \$m	Other \$m		Amortised cost \$m	FVOCI \$m	Other \$m	
CONSOLIDATED 2025								
Cash and bank balances	22,269	-	-	22,269	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	17,932	33,680	-	51,612	2	-	-	2
Margin money and settlement assets	19,754	-	-	19,754	35	-	-	35
Financial investments	2,090	14,742	-	16,832	5	2	-	7
Other assets	1,586	394	-	1,980	43	-	-	43
Loan assets	180,112	-	-	180,112	499	-	-	499
Due from other Macquarie Group entities	3,333	-	-	3,333	-	-	-	-
Undrawn credit commitments	-	-	26,846	26,846	-	-	42	42
Total	247,076	48,816	26,846	322,738	584	2	42	628
CONSOLIDATED 2024								
Cash and bank balances	28,056	-	-	28,056	1	-	-	1
Cash collateralised lending and reverse repurchase agreements	11,727	26,076	-	37,803	1	-	-	1
Margin money and settlement assets	16,392	-	-	16,392	40	-	-	40
Financial investments	1,919	16,758	-	18,677	-	1	-	1
Other assets	2,550	255	-	2,805	114	-	-	114
Loan assets	156,081	-	-	156,081	551	-	-	551
Due from other Macquarie Group entities	562	-	-	562	-	-	-	-
Undrawn credit commitments	-	-	25,157	25,157	-	-	46	46
Total	217,287	43,089	25,157	285,533	707	1	46	754

Loan assets continue to represent the Consolidated Entity's most significant component of credit exposures on which ECL allowances are carried. The credit quality of the Consolidated Entity's loan assets, is monitored through its credit policies, as set out in Note 33.1 *Credit risk*.

Note 12

Expected credit losses continued

	GROSS EXPOSURE FOR FINANCIAL ASSETS CARRIED AT			ECL ALLOWANCE ON FINANCIAL ASSETS CARRIED AT				Total ECL allowance \$m
	Amortised cost \$m	FVOCI \$m	Other \$m	Gross exposure \$m	Amortised cost \$m	FVOCI \$m	Other \$m	
COMPANY 2025								
Cash and bank balances	20,100	-	-	20,100	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	17,325	32,221	-	49,546	2	-	-	2
Margin money and settlement assets	16,005	-	-	16,005	32	-	-	32
Financial investments	2,091	14,655	-	16,746	5	2	-	7
Other assets	1,426	394	-	1,820	37	-	-	37
Loan assets	177,809	-	-	177,809	436	-	-	436
Due from other Macquarie Group entities	2,679	-	-	2,679	-	-	-	-
Due from subsidiaries	4,069	-	-	4,069	4	-	-	4
Undrawn credit commitments	-	-	28,634	28,634	-	-	39	39
Total	241,504	47,270	28,634	317,408	516	2	39	557
COMPANY 2024								
Cash and bank balances	22,799	-	-	22,799	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	11,348	24,638	-	35,986	1	-	-	1
Margin money and settlement assets	13,795	-	-	13,795	39	-	-	39
Financial investments	1,614	16,758	-	18,372	-	1	-	1
Other assets	1,628	255	-	1,883	39	-	-	39
Loan assets	152,795	1,286	-	154,081	470	24	-	494
Due from other Macquarie Group entities	312	-	-	312	-	-	-	-
Due from subsidiaries	5,637	133	-	5,770	4	-	-	4
Undrawn credit commitments	-	-	24,793	24,793	-	-	41	41
Total	209,928	43,070	24,793	277,791	553	25	41	619

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 12

Expected credit losses continued

The table below provides a reconciliation from the opening to closing balance of the ECL allowances.

	Cash and bank balances	Cash collateralised lending and repurchase agreements	Margin money and settlement assets	Financial investments	Other assets	Loan assets	Undrawn credit commitments	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
CONSOLIDATED								
Balance as at 1 Apr 2023	1	7	51	3	94	624	65	845
Credit impairment charges/ (reversals) (Note 2)	-	(3)	(11)	(3)	33	(29)	(21)	(34)
Amounts written off, previously provided for	-	-	-	-	(33)	(29)	-	(62)
Reclassifications, foreign exchange, disposals and other movements	-	(3)	-	1	20	(15)	2	5
Balance as at 31 Mar 2024	1	1	40	1	114	551	46	754
Credit impairment charges/ (reversals) (Note 2)	-	-	17	7	19	73	(5)	111
Amounts written off, previously provided for	-	-	(22)	-	(23)	(126)	-	(171)
Reclassifications, foreign exchange, disposals and other movements	(1)	1	-	(1)	(67)	1	1	(66)
Balance as at 31 Mar 2025	-	2	35	7	43	499	42	628
COMPANY								
	Cash collateralised lending and repurchase agreements	Margin money and settlement assets	Financial investments	Other assets	Loan assets	Due from subsidiaries	Undrawn credit commitments	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance as at 1 Apr 2023	6	45	3	52	564	12	64	746
Credit impairment charges/ (reversals) (Note 2)	(3)	(8)	(3)	20	(34)	(8)	(25)	(61)
Amounts written off, previously provided for	-	-	-	(33)	(23)	-	-	(56)
Reclassifications, foreign exchange, disposals and other movements	(2)	2	1	-	(13)	-	2	(10)
Balance as at 31 Mar 2024	1	39	1	39	494	4	41	619
Credit impairment charges/ (reversals) (Note 2)	-	16	7	(1)	52	-	(3)	71
Amounts written off, previously provided for	-	(22)	-	(4)	(112)	-	-	(138)
Reclassifications, foreign exchange, disposals and other movements	1	(1)	(1)	3	2	-	1	5
Balance as at 31 Mar 2025	2	32	7	37	436	4	39	557

Note 12

Expected credit losses continued

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			Total ECL Allowance \$m
	Stage I 12 month ECL \$m	Stage II Not credit impaired \$m	Stage III Credit impaired \$m	
CONSOLIDATED				
Balance as at 1 Apr 2023	302	169	153	624
Transfer during the period	26	(18)	(8)	-
Credit impairment charges (Note 2)	(125)	(33)	129	(29)
Amounts written off, previously provided for	-	-	(29)	(29)
Reclassifications, foreign exchange and other movements	-	-	(15)	(15)
Balance as at 31 Mar 2024	203	118	230	551
Transfer during the period	19	(17)	(2)	-
Credit impairment charges/(reversals) (Note 2)	(4)	35	42	73
Amounts written off, previously provided for	-	-	(126)	(126)
Reclassifications, foreign exchange and other movements	-	-	1	1
Balance as at 31 Mar 2025	218	136	145	499
COMPANY				
Balance as at 1 Apr 2023	269	157	138	564
Transfer during the period	26	(18)	(8)	-
Credit impairment charges (Note 2)	(112)	(33)	111	(34)
Amounts written off, previously provided for	-	-	(23)	(23)
Reclassifications, foreign exchange and other movements	-	-	(13)	(13)
Balance as at 31 Mar 2024	183	106	205	494
Transfer during the period	19	(16)	(3)	-
Credit impairment charges/(reversals) (Note 2)	-	37	15	52
Amounts written off, previously provided for	-	-	(112)	(112)
Reclassifications, foreign exchange and other movements	2	-	-	2
Balance as at 31 Mar 2025	204	127	105	436

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 13

Property, plant and equipment and right-of-use assets

	2025			2024		
	Cost	Accumulated depreciation and impairment	Carrying Value	Cost	Accumulated depreciation and impairment	Carrying Value
	\$m	\$m	\$m	\$m	\$m	\$m
CONSOLIDATED						
Assets for own use						
Land and buildings	1,468	(67)	1,401	1,384	(46)	1,338
Furniture, fittings and leasehold improvements	1,014	(410)	604	978	(446)	532
Equipment	250	(122)	128	158	(102)	56
Total assets for own use	2,732	(599)	2,133	2,520	(594)	1,926
Assets under operating lease						
Meters	3,058	(1,473)	1,585	2,807	(1,260)	1,547
Telecommunications	817	-	817	1,619	(698)	921
Equipment and others	1,220	(350)	870	1,026	(248)	778
Total assets under operating lease	5,095	(1,823)	3,272	5,452	(2,206)	3,246
Right-of-use assets						
Office premises	970	(423)	547	1,107	(482)	625
Others	52	(15)	37	54	(16)	38
Total right-of-use assets	1,022	(438)	584	1,161	(498)	663
Total property, plant and equipment and right-of-use assets	8,849	(2,860)	5,989	9,133	(3,298)	5,835

The majority of the above amounts have expected useful lives longer than 12 months after the balance date.

	2025			2024		
	Cost	Accumulated depreciation and impairment	Carrying Value	Cost	Accumulated depreciation and impairment	Carrying Value
	\$m	\$m	\$m	\$m	\$m	\$m
COMPANY						
Assets for own use						
Land and buildings	1,473	(67)	1,406	1,150	-	1,150
Furniture, fittings and leasehold improvements	380	(120)	260	260	(11)	249
Equipment	39	(22)	17	17	(13)	4
Total assets for own use	1,892	(209)	1,683	1,427	(24)	1,403
Assets under operating lease						
Meters	2,852	(1,279)	1,573	2,587	(1,059)	1,528
Telecommunications	817	-	817	1,619	(698)	921
Land and buildings	167	(27)	140	402	(129)	273
Total assets under operating lease	3,836	(1,306)	2,530	4,608	(1,886)	2,722
Total property, plant and equipment	5,728	(1,515)	4,213	6,035	(1,910)	4,125

The majority of the above amounts have expected useful lives longer than 12 months after the balance date.

The future minimum lease payments expected to be received under non-cancellable operating leases are as follows.

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Assets under operating lease				
Within one year	245	298	37	101
Between one to two years	166	166	31	33
Between two to three years	129	104	11	27
Between three to four years	91	68	5	7
Between four to five years	32	37	1	3
Later than five years	5	7	4	-
Total future minimum lease payments receivable	668	680	89	171

Note 13

Property, plant and equipment and right-of-use assets continued

The movement in the carrying value of the Consolidated Entity's property, plant and equipment was as follows.

	Land and buildings \$m	Furniture, fittings and leasehold improvements \$m	Equipment \$m	Total \$m
CONSOLIDATED				
Assets for own use				
Balance as at 1 Apr 2023	815	152	47	1,014
Acquisitions and additions	528	416	35	979
Depreciation expense (Note 2)	(5)	(38)	(23)	(66)
Impairments	-	(1)	(4)	(5)
Foreign exchange movements	-	3	1	4
Balance as at 31 Mar 2024¹	1,338	532	56	1,926
Acquisitions and additions	86	171	97	354
Disposals	-	(3)	(2)	(5)
Depreciation expense (Note 2)	(23)	(101)	(30)	(154)
Impairments	-	(5)	(5)	(10)
Reclassification and other adjustments	-	-	3	3
Foreign exchange movements	-	10	9	19
Balance as at 31 Mar 2025¹	1,401	604	128	2,133
CONSOLIDATED				
Assets under operating lease				
Balance as at 1 Apr 2023	1,476	1,033	654	3,163
Acquisitions and additions	254	33	383	670
Disposals	-	(2)	(28)	(30)
Depreciation expense (Note 2)	(213)	(36)	(174)	(423)
Reclassification and other adjustments ²	(41)	(148)	(62)	(251)
Foreign exchange movements	71	41	5	117
Balance as at 31 Mar 2024	1,547	921	778	3,246
Acquisitions and additions	203	-	409	612
Disposals	-	-	(123)	(123)
Depreciation expense (Note 2)	(225)	(27)	(175)	(427)
Impairments	(3)	-	(15)	(18)
Reclassification and other adjustments ²	(40)	(126)	(25)	(191)
Foreign exchange movements	103	49	21	173
Balance as at 31 Mar 2025	1,585	817	870	3,272

¹ Includes \$19 million (2024: \$1,618 million) for capital work in progress.

² Includes \$90 million gain (2024: \$70 million loss) on fair value hedge adjustments. Refer Note 32 *Hedge accounting*.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 13

Property, plant and equipment and right-of-use assets continued

The movement in the carrying value of the Company's property, plant and equipment was as follows.

	Land and buildings \$m	Furniture, fittings and leasehold improvements \$m	Equipment \$m	Total \$m
COMPANY				
Assets for own use				
Balance as at 1 Apr 2023	617	70	5	692
Acquisitions and additions	533	179	2	714
Depreciation expense (Note 2)	-	-	(3)	(3)
Balance as at 31 Mar 2024¹	1,150	249	4	1,403
Acquisitions and additions	85	49	16	150
Depreciation expense (Note 2)	(21)	(38)	(6)	(65)
Impairments	-	-	(1)	(1)
Reclassification and other adjustments	192	-	4	196
Balance as at 31 Mar 2025³	1,406	260	17	1,683

	Meters \$m	Telecommunications \$m	Land and buildings \$m	Total \$m
COMPANY				
Assets under operating lease				
Balance as at 1 Apr 2023	1,450	1,031	255	2,736
Acquisitions and additions	254	33	36	323
Disposals	-	-	(8)	(8)
Depreciation expense (Note 2)	(206)	(36)	(10)	(252)
Reclassification and other adjustments ²	(39)	(148)	-	(187)
Foreign exchange movements	69	41	-	110
Balance as at 31 Mar 2024	1,528	921	273	2,722
Acquisitions and additions	203	-	77	280
Disposals	-	-	(2)	(2)
Depreciation expense (Note 2)	(218)	(27)	(15)	(260)
Impairments	(4)	-	-	(4)
Reclassification and other adjustments ²	(38)	(126)	(197)	(361)
Foreign exchange movements	102	49	4	155
Balance as at 31 Mar 2025	1,573	817	140	2,530

¹ Includes \$1 million (2024: \$1,390 million) for capital work in progress.

² Includes \$90 million gain (2024: \$70 million loss) on fair value hedge adjustments. Refer Note 32 *Hedge accounting*.

Note 13

Property, plant and equipment and right-of-use assets continued

The movement in the carrying value of the Consolidated Entity's right-of-use was as follows.

	Office premises \$m	Others \$m	Total \$m
			CONSOLIDATED
Right-of-use assets			
Balance as at 1 Apr 2023	343	57	400
Acquisitions and additions	397	19	416
Disposals	(6)	(23)	(29)
Depreciation expense ¹	(127)	(16)	(143)
Impairments	(1)	-	(1)
Foreign exchange movements	19	1	20
Balance as at 31 Mar 2024	625	38	663
Acquisitions and additions	43	15	58
Disposals	(11)	-	(11)
Depreciation expense ¹	(117)	(8)	(125)
Impairments	(7)	-	(7)
Foreign exchange movements	23	1	24
Reclassification and other adjustments	(9)	(9)	(18)
Balance as at 31 Mar 2025	547	37	584

¹ Includes depreciation expense of \$117 million (2024: \$127 million) on office premise leases presented under other operating expenses, \$1 million (2024: \$8 million) on assets held for trading-related business presented under net trading income and \$3 million (2024: \$5 million) on technology leases presented under non-salary technology expenses in Note 2 *Operating profit before income tax*.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 14

Investment in subsidiaries

	COMPANY	
	2025	2024
	\$m	\$m
Investment at cost with no provisions for impairment	4,076	4,731
Investment at cost with provisions for impairment	75	144
Less: provisions for impairment ¹	(29)	(72)
Investment with provisions for impairment ¹	46	72
Total investment in subsidiaries	4,122	4,803

The majority of the above amounts are expected to be recovered after 12 months of the balance date by the Company.

The following are the Company's notable subsidiaries:

Australia	Americas
<ul style="list-style-type: none">• Macquarie Group Services Australia Pty Ltd• Macquarie International Finance Limited• Macquarie Equities Limited• Macquarie Investment Management Ltd• Macquarie Investment Services Limited	<ul style="list-style-type: none">• Macquarie Energy LLC (United States)• Macquarie Global Services (USA) LLC (United States)• Macquarie Futures USA LLC (United States)
Asia Pacific	Europe, Middle East and Africa
<ul style="list-style-type: none">• Macquarie Global Services Private Limited (India)• Macquarie Group Services (Philippines), Inc. (Philippines)	<ul style="list-style-type: none">• Macquarie Bank Europe Designated Activity Company (Ireland)

The subsidiaries included in the notable subsidiaries list above are identified on the basis of their ongoing contribution to the Consolidated Entity's external assets and operating profit. Additionally, these include the major employing entities, entities that are key providers of funding to other subsidiaries and other operating entities considered key for each Operating Group and region.

The list of notable subsidiaries has been categorised based on the geographic region of their incorporation. The country of incorporation has been stated in brackets. For entities in the Australia region, the country of incorporation is Australia. Overseas subsidiaries and their branches conduct business predominantly in place of the incorporation and location of their branches. Notable subsidiaries may conduct business in other geographic regions through branches, the branches have not been included in the list of notable subsidiaries.

All notable subsidiaries have a 31 March reporting date.

Significant restrictions

During the year, the Company's subsidiaries did not experience any significant restrictions on paying dividends, accessing or using assets and settling liabilities of the Consolidated Entity. There are no foreseen restrictions envisaged with regard to planned dividends or payments. However, the ability of subsidiaries to pay dividends or advance monies to the Company depends on, among other things, their respective local regulatory capital and banking requirements, exchange controls, statutory reserves, and financial and operating performance.

Consolidated Entity Disclosure Statement

Complete list of the Company's controlled entities is provided in the Consolidated Entity Disclosure Statement.

¹ In accordance with its accounting policies, the Company reviewed its investments in subsidiaries for indicators of impairment and, where applicable, reversal of impairment. Where its investments had indicators of reversal of impairment, the investments' carrying value was compared to its recoverable value which was determined as the higher of value-in-use and fair value less cost to sell (valuation). The valuations, which are classified as Level 3 in the fair value hierarchy as defined in Note 35 *Fair value of assets and liabilities*, have been calculated using a valuation technique with significant unobservable inputs including the subsidiary's maintainable earnings, growth rates and relevant earnings multiples.

Note 15

Deferred tax assets/(liabilities)

The balance comprises temporary differences attributable to:

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Other assets and liabilities	960	872	448	418
Intangible assets	205	193	140	132
Financial investments and interests in associates and joint ventures	57	75	15	17
Tax losses	55	63	-	-
Property, plant and equipment	51	72	-	1
Loan assets and derivatives	44	66	37	56
Operating and finance leases	13	21	-	-
Set-off of deferred tax liabilities	(290)	(286)	(120)	(108)
Net deferred tax assets	1,095	1,076	520	516
Set-off of deferred tax assets	290	286	120	108
Intangible assets	(8)	(7)	-	-
Loan assets and derivatives	(16)	(17)	(9)	(2)
Property, plant and equipment	(17)	(18)	(17)	(17)
Other assets and liabilities	(29)	(47)	1	(5)
Financial investments and interests in associates and joint ventures	(62)	(87)	(1)	(1)
Operating and finance leases	(179)	(132)	(116)	(83)
Net deferred tax liabilities	(21)	(22)	(22)	-

The above amounts are expected to be recovered after 12 months of the balance date by the Consolidated Entity and the Company.

Potential tax assets of approximately \$94 million (2024: \$92 million) attributable to tax losses carried forward by subsidiaries and other timing differences have not been brought to account in the Consolidated Entity as management do not believe that the realisation of the tax assets is probable. Included in this amount are gross losses of \$1 million (2024: \$nil) that will expire within two years; \$Nil (2024: \$2 million) that will expire in 2-5 years; \$Nil million (2024: \$3 million) that will expire in 5-10 years and \$83 million (2024: \$104 million) that will expire in 10-20 years. \$457 million (2024: \$512 million) of gross tax losses do not expire and can be carried forward indefinitely.

Note 16

Deposits

Interest bearing deposits:				
Call	130,172	102,721	130,100	102,660
Term	19,756	21,893	18,242	20,136
Non-interest bearing deposits - repayable on demand	27,743	23,726	27,701	23,704
Total deposits	177,671	148,340	176,043	146,500

Note 17

Trading liabilities

Equity securities	5,476	4,884	5,476	4,884
Debt securities	82	53	82	53
Commodities	195	-	-	-
Total trading liabilities	5,753	4,937	5,558	4,937

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 18

Margin money and settlement liabilities

	CONSOLIDATED		COMPANY	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
Margin money	15,994	17,789	13,867	15,403
Commodity settlement liabilities	5,878	2,576	4,948	1,962
Security settlement liabilities	1,738	1,904	1,737	1,874
Total margin money and settlement liabilities	23,610	22,269	20,552	19,239

Note 19

Derivative liabilities

Held for trading	22,380	24,196	20,388	21,970
Designated in hedge relationships	804	1,087	795	1,090
Total derivative liabilities	23,184	25,283	21,183	23,060

Note 20

Other liabilities

Other financial liabilities				
Commodity-related payables	3,579	3,678	2,712	2,746
Trade and other payables	1,489	1,130	1,348	859
Lease liabilities	762	734	-	1
Total other financial liabilities	5,830	5,542	4,060	3,606
Other non-financial liabilities				
Employment-related liabilities	1,598	1,595	591	600
Provisions ¹	1,161	1,456	772	836
Accrued charges and other payables	793	692	551	429
Income tax provision ²	224	440	62	149
Indirect taxes payables	148	199	111	123
Others	140	356	111	269
Total other non-financial liabilities	4,064	4,738	2,198	2,406
Total other liabilities	9,894	10,280	6,258	6,012

¹ In the ordinary course of its business, the Consolidated Entity and the Company may be subject to actual and potential civil claims and regulatory enforcement actions. During the current year, these include matters in the Commonwealth of Australia, the United States of America, the United Kingdom, and the Federal Republic of Germany. The civil claims may result in settlements or damages awards. The regulatory enforcement actions may result in outcomes such as penalties, fines, disgorgement of profits and non-monetary sanctions. This amount includes provisions for such outcomes. The amount and timing of the outcomes are uncertain and may differ from the provisions recognised. Based on existing information and range of likely outcomes, the matters did not have and are not currently expected to have a material impact on the Consolidated Entity. The Consolidated Entity and the Company consider the risk of there being a material adverse effect in respect of 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 and the Company has assessed these and other taxation claims and litigation, including seeking external advice where appropriate, and considers that it holds appropriate provisions.

Note 21

Issued debt securities and other borrowings

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Commercial paper	39,003	26,025	38,254	24,468
Bonds	20,690	21,585	20,686	21,600
Securitised notes ¹	10,749	11,621	-	-
Certificates of deposit	2,034	1,333	2,034	1,333
Structured notes ^{2,3}	669	522	669	522
Other debt securities ^{2,3}	472	559	472	559
Total issued debt securities	73,617	61,645	62,115	48,482
Borrowings	12,187	10,294	4,891	3,401
Total issued debt securities and other borrowings	85,804	71,939	67,006	51,883

Reconciliation of issued debt securities and other borrowings by major currency

(In Australian dollar equivalent)

United States dollar	52,842	41,628	45,868	34,366
Australian dollar	15,765	19,446	5,015	7,823
Euro	12,783	7,094	12,168	6,615
Pound sterling	3,292	2,669	3,284	2,329
Other	1,122	1,102	671	750
Total issued debt securities and other borrowings	85,804	71,939	67,006	51,883

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. Refer Note 37 *Pledged assets and transfers of financial assets* for the details of assets pledged for the liabilities of the Consolidated Entity.

² The amount that would be contractually required to be paid at maturity to the holders of issued debt securities measured at DFVTPL for the Consolidated Entity and the Company is \$1,662 million (2024: \$1,399 million). This amount is based on the final notional amount rather than the fair value. Refer Note 34 *Measurement categories of financial instruments* for the carrying value of issued debt securities measured at DFVTPL.

³ Includes a cumulative fair value loss recognised in OCI of \$1 million (2024: \$1 million gain) due to changes in own credit risk on DFVTPL debt securities.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 22

Capital management

Capital management strategy

The Consolidated Entity's capital management strategy is to determine and maintain appropriate capital levels to support the Consolidated Entity's businesses. This includes generating appropriate returns on capital and managing capital in a manner consistent with the expectations of external stakeholders, including regulators, investors and rating agencies.

The Consolidated Entity's capital management objectives are to maintain sufficient capital resources to:

- support the Consolidated Entity's business and operational requirements;
- safeguard interests of depositors and the Consolidated Entity's ability to continue as a going concern;
- exceed regulatory capital requirements; and
- support the Consolidated Entity's credit ratings.

The Consolidated Entity's capital management strategy uses both internal and external measures of capital. Internally, the Consolidated Entity has developed an Economic Capital Adequacy Model (ECAM) that is used to quantify the Consolidated Entity's aggregate level of risk, including specific risk types such as credit, equity, market and operational risk. Externally, the Consolidated Entity is subject to minimum capital requirements imposed by APRA on a Level 1 and Level 2 basis.

The internal and external measures of capital are used to inform the capital management strategy and support business decision-making including:

- capital adequacy assessment;
- risk appetite setting; and
- risk-adjusted performance measurement.

The Consolidated Entity's capital management strategy is evaluated annually through an Internal Capital Adequacy Assessment Process (ICAAP).

Regulatory capital framework

Regulatory capital requirements are imposed and measured at two levels of consolidation within the Consolidated Entity:

- **Level 1:** The Company and certain subsidiaries which meet the APRA definition of Extended Licensed Entities
- **Level 2:** The Company, its subsidiaries and its immediate parent less certain subsidiaries of the Company which are deconsolidated for APRA reporting purposes. These include entities conducting insurance, funds management and non-financial operations.

The Consolidated Entity reports to APRA under APRA's Basel III capital requirements and is accredited by APRA to apply the Foundation Internal Ratings-Based Approach for wholesale exposures and the Advanced Internal Ratings-Based Approach for retail exposures in determining credit risk capital requirements, together with the Internal Model Approach for market risk and Interest Rate Risk in the Banking Book (IRRBB).

APRA requires ADIs such as the Consolidated Entity to hold a minimum level of regulatory capital against its risk-weighted assets (RWAs) for each category of capital. APRA classifies an ADI's regulatory capital into three categories:

- **Common Equity Tier 1 (CET1):** Consists of ordinary share capital, retained earnings, and certain reserves, less prescribed regulatory adjustments including deductions for intangibles, certain capitalised expenses, deferred tax assets, equity investments and investments in certain subsidiaries
- **Tier 1 Capital:** The sum of CET1 Capital and Additional Tier 1 (AT1) Capital. AT1 Capital consists of hybrid instruments
- **Total Capital:** The sum of Tier 1 Capital and Tier 2 Capital. Tier 2 Capital includes term subordinated debt, certain reserves and applicable regulatory adjustments.

Information on hybrid and Tier 2 Capital instruments on issue is available in the Regulatory Disclosures section of the Macquarie public website.

Under APRA's Basel III prudential requirements, ADIs such as the Consolidated Entity are required to maintain a minimum ratio of regulatory capital to RWAs of 4.5% for CET1, 6.0% for Tier 1 and 11.0% for Total Capital. The requirement applies at both Level 1 and Level 2. APRA may also impose an ADI specific minimum capital ratio that may be higher than these levels.

In addition, APRA requires ADIs to hold a capital conservation buffer (CCB) of up to 3.75% in the form of CET1 Capital. The Consolidated Entity is also required to hold an ADI specific countercyclical capital buffer (CCyB) in the form of CET1 Capital.

Under APRA's Basel III prudential requirements, ADIs such as the Consolidated Entity are also required to hold a minimum level of Tier 1 Capital against its regulatory total exposures (Leverage Ratio). The minimum required Leverage Ratio is 3.5%.

The Consolidated Entity has complied with minimum capital requirements at Level 1 and Level 2 throughout the financial year.

Note 23

Loan capital

Subordinated debt

Subordinated debt comprises of agreements between the Consolidated Entity and its lenders that provide that, in the event of liquidation, entitlement of such lenders to repayment of the principal sum and interest thereon is and shall at all times be and remain subordinated to the rights of all other present and future creditors of the Consolidated Entity.

The table below highlights key capital instruments with conditional repayment obligations (Tier 1 loan capital under APRA's Capital Standards) issued by the Consolidated Entity and the Company.

Contract feature	Macquarie Additional Capital Securities	Macquarie Bank Capital Notes 2	Macquarie Bank Capital Notes 3
Code	MACS	BCN2	BCN3
Issuer	Macquarie Bank Limited	Macquarie Bank Limited	Macquarie Bank Limited
Par value	n/a	\$100	\$100
Currency	USD	AUD	AUD
Carrying value at reporting date	\$USD 750 million/(\$A1,166 million)	\$641 million	\$655 million
Accounting measurement basis	Financial liability at amortised cost	Financial liability at amortised cost	Financial liability at amortised cost
Issue date	8 March 2017	2 June 2020	27 August 2021
Interest rate	6.125% per annum	90-day BBSW plus a fixed margin of 4.70% per annum, adjusted for franking credits	90-day BBSW plus a fixed margin of 2.90% per annum, adjusted for franking credits
Interest payment frequency	Semi-annually in arrears	Quarterly in arrears	Quarterly in arrears
Interest payment	Discretionary, non-cumulative	Discretionary, non-cumulative	Discretionary, non-cumulative
Dividend stopper	MBL only	MBL only	MBL only
Outstanding notes at reporting date	— ¹	6.41 million	6.55 million
Maturity	Perpetual, redeemable subject to APRA's written approval, and at the discretion of MBL in limited circumstances	Perpetual unless redeemed, resold, converted, exchanged or written-off in accordance with the terms of the instrument	Perpetual unless redeemed, resold, converted, exchanged or written-off in accordance with the terms of the instrument
Convertible into ordinary shares	Yes	Yes	Yes
Convertible into issuer shares	MGL	MGL	MGL
Mandatory conversion date	n/a	21 December 2028	8 September 2031
Maximum number of shares on conversion	56,947,286	30,532,190	20,316,704
Optional exchange dates	No optional exchange dates	<ul style="list-style-type: none"> 21 December 2025 21 June 2026 21 December 2026 earlier in specified circumstances at the discretion of MGL subject to APRA approval	<ul style="list-style-type: none"> 7 September 2028 7 March 2029 7 September 2029 earlier in specified circumstances at the discretion of MBL subject to APRA approval
Other exchange events	<ul style="list-style-type: none"> acquisition date (where a party acquires control of MBL or MGL) where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support) where MBL's common equity Tier 1 Capital ratio falls below 5.125% 	<ul style="list-style-type: none"> acquisition date (where a party acquires control of MBL or MGL) where APRA determines MBL would be non-viable without an exchange or conversion or write-off, of other Relevant Tier 1 securities is necessary or a public sector injection of capital (or equivalent support) where MBL's common equity Tier 1 Capital ratio falls below 5.125% 	<ul style="list-style-type: none"> acquisition date (where a party acquires control of MBL or MGL) where APRA determines MBL would be non-viable without an exchange or conversion or write-off, of other Relevant Tier 1 securities is necessary or a public sector injection of capital (or equivalent support) where MBL's common equity Tier 1 Capital ratio falls below 5.125%
Capital Treatment	Additional Tier 1 capital	Additional Tier 1 capital	Additional Tier 1 capital

¹ As at 31 March 2025, the US \$750 million of MACS were held by an authorised representative for the Depository Trust Company being the common depository for the MACS global security.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 23

Loan capital continued

In addition to the subordinated debt with conditional repayment obligations, the Consolidated Entity has also issued certain capital instruments with fixed repayment obligations, denominated in United States dollars and Australian dollars which are eligible Tier 2 capital under APRA's capital standards.

The table below discloses the carrying value of Loan capital at the balance sheet date. Where these instruments are designated in fair value hedge accounting relationships, the carrying value includes the fair value hedge adjustment (refer Note 32 *Hedge accounting*). The contractual undiscounted cash flows are disclosed in Note 33.2 *Liquidity risk*.

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Subordinated debt with fixed repayment obligations (Tier 2 loan capital) by contractual maturity dates:				
10 June 2025	1,195	1,112	1,195	1,112
28 May 2030	750	750	750	750
3 June 2030	1,022	935	1,022	935
17 June 2031	750	750	750	750
7 June 2032	846	843	846	843
18 January 2033	1,548	1,460	1,548	1,460
1 March 2034	1,257	1,256	1,257	1,256
20 February 2035	1,250	-	1,250	-
3 March 2036	1,393	1,285	1,393	1,285
Instruments with conditional repayment obligations (Tier 1 loan capital):				
MACS	1,166	1,085	1,166	1,085
BCN2	641	641	641	641
BCN3	655	655	655	655
Accrued interest payable as per terms of instruments:				
Less than 12 months	98	88	98	88
	12,571	10,860	12,571	10,860
Less: directly attributable issuance costs	(31)	(35)	(31)	(35)
Total loan capital	12,540	10,825	12,540	10,825
Reconciliation of loan capital by major currency				
<i>(in Australian dollar equivalent):</i>				
United States dollar	6,386	5,938	6,386	5,938
Australian dollar	6,185	4,922	6,185	4,922
	12,571	10,860	12,571	10,860
Less: directly attributable issuance costs	(31)	(35)	(31)	(35)
Total loan capital	12,540	10,825	12,540	10,825

The Consolidated Entity and the Company have not had any defaults of principal, interest or other breaches with respect to their loan capital during the financial years reported.

Note 24

Contributed equity

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Ordinary share capital	9,879	9,879	9,879	9,879
Other equity	313	305	145	142
Total contributed equity	10,192	10,184	10,024	10,021

	CONSOLIDATED AND COMPANY			
	2025	2024	2025	2024
	Number of shares	Number of shares	\$m	\$m
(i) Ordinary share capital¹				
Opening balance of fully paid ordinary shares				
696,603,664 of shares issued to parent entity (Macquarie B.H. Pty Limited)	696,603,664	696,603,664	9,879	9,879
Closing balance of fully paid ordinary shares	696,603,664	696,603,664	9,879	9,879

(ii) Other equity

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Equity contribution from ultimate parent entity				
Balance at the beginning of the period	305	282	142	134
Change attributable to share-based payment expense including deferred tax ²	8	23	3	8
Balance at the end of the period	313	305	145	142

¹ Ordinary shares have no par value.

² 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.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 25

Reserves and retained earnings

	CONSOLIDATED		COMPANY	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
(i) Reserves				
Foreign currency translation reserve				
Balance at the beginning of the period	1,197	1,000	545	349
Foreign exchange movement on translation and hedge accounting of foreign operations, net of tax	339	197	335	196
Balance at the end of the financial year	1,536	1,197	880	545
FVOCI reserve				
Balance at the beginning of the period	(26)	-	(15)	(2)
Revaluation movement, net of tax	(26)	(24)	(25)	-
Changes in ECL allowance, net of tax	-	(2)	(6)	(13)
Balance at the end of the financial year	(52)	(26)	(46)	(15)
Cash flow hedge reserve				
Balance at the beginning of the period	81	92	90	104
Revaluation movement, net of tax	74	22	77	25
Transferred to income statement on realisation, net of tax	(50)	(33)	(54)	(39)
Balance at the end of the financial year	105	81	113	90
Cost of hedging reserves				
Balance at the beginning of the period	(59)	(37)	(49)	(32)
Revaluation movement, net of tax	18	(35)	17	(30)
Transferred to income statement on realisation, net of tax	13	13	13	13
Balance at the end of the financial year	(28)	(59)	(19)	(49)
Share of reserves in associates and joint ventures and other reserves				
Balance at the beginning of the period	45	2	-	2
Share of other comprehensive income from associates and joint ventures, net of tax	10	43	-	(2)
Balance at the end of the financial year	55	45	-	-
Total reserves at the end of the financial year	1,616	1,238	928	571
(ii) Retained earnings				
Balance at the beginning of the financial year	9,959	9,134	10,348	10,027
Profit attributable to the ordinary equity holders of MBL	3,445	2,912	3,103	2,409
Dividends paid on ordinary share capital (Note 5)	(2,224)	(2,079)	(2,224)	(2,079)
Fair value changes attributable to own credit risk on debt classified as DFVTPL, net of tax	(2)	(9)	(2)	(8)
Remeasurement of defined benefit plans and others	1	1	-	(1)
Balance at the end of the financial year	11,179	9,959	11,225	10,348

Note 26

Notes to the statements of cash flows

(i) Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year are reflected in the relevant items in the Statements of financial position as follows.

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Cash and bank balances ^{1,2}	16,398	19,929	14,484	15,370
Cash collateralised lending and reverse repurchase agreements	33,332	24,452	32,221	23,534
Financial investments ³	1,563	1,912	1,563	1,912
Cash and cash equivalents at the end of the financial year	51,293	46,293	48,268	40,816

(ii) Reconciliation of profit after income tax to net cash flows generated from/(utilised in) operating activities

Profit after income tax	3,445	2,912	3,103	2,409
Adjustments to profit after income tax:				
Depreciation and amortisation	708	634	334	260
Credit and other impairment (reversal)/charges	151	(49)	57	(30)
Investment and other income	(638)	(40)	(14)	(25)
Share of net profits of associates and joint ventures	(39)	(41)	-	-
Changes in assets and liabilities:				
Issued debt securities, borrowings and other funding	986	2,388	2,122	1,256
Liquid asset holdings	2,701	(1,229)	2,614	(3,371)
Trading and related assets, and collateralised lending balances, including balances with Macquarie Group entities (net of liabilities)	(3,236)	(9,949)	(4,450)	(7,921)
Deposits	29,169	13,489	29,493	12,691
Debtors, prepayments, accrued charges and creditors	704	(460)	317	(43)
Tax balances	349	277	491	661
Interest, fee and commission receivable and payable	(38)	267	45	41
Assets under operating lease	(489)	(643)	(278)	(316)
Other assets and liabilities	(34)	(63)	377	674
Carrying value of associates due to dividends received	15	36	-	-
Loan assets, receivables and related balances with Macquarie Group entities	(29,119)	(17,621)	(26,730)	(17,171)
Net cash flows utilised in operating activities	4,635	(10,092)	7,481	(10,885)

(iii) Reconciliation of loan capital

Balance at the beginning of the financial year	10,825	9,523	10,825	9,523
Cash flows:				
Issuance	1,246	1,246	1,246	1,246
Non-cash changes:				
Foreign currency translation and other movements	469	56	469	56
Balance at the end of the financial year	12,540	10,825	12,540	10,825

¹ Amounts excluded from cash and cash equivalents but presented in the Statements of financial position as Cash and bank balances primarily relates to \$5,823 million (2024: \$8,015 million) in the Consolidated Entity and \$5,573 million (2024: \$7,351 million) in the Company for funds received from clients which are segregated from the own funds and other balances of \$48 million (2024: \$111 million) for the Consolidated Entity and \$43 million (2024: \$78 million) for the Company that are not readily available to meet the short-term cash commitments.

² Includes \$879 million (2024: \$918 million) in the Consolidated Entity and \$543 million (2024: \$374 million) in the Company required to be maintained with central banks and other regulatory authorities and balances held in countries where remittance of cash outside the country is subject to certain restrictions and balances held by Consolidated SEs that are restricted from use by the Consolidated Entity.

³ The Consolidated Entity maintains a portfolio of highly liquid unencumbered assets, including financial investments across various contractual maturities, for liquidity purposes. Financial investments that qualify as cash and cash equivalents have been adjusted to exclude investments with a residual maturity of three months or less at the balance date but whose maturity exceeded three months at the date of acquisition. Comparative information has been represented to conform to changes in the current year. The prior year 31 March 2024, cash and cash equivalents at the beginning and at the end of the year decreased \$3,314 million and \$7,311 million, respectively, and cash flows from the operating activities under liquid asset holdings decreased by \$3,997 million. For the Company, cash and cash equivalents at the beginning and at the end of the period decreased by \$3,155 million and \$7,311 million, respectively, and cash flows from the operating activities under liquid asset holdings decreased by \$4,156 million.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 27

Related party information

Transactions between the Consolidated Entity's and the Company's ultimate parent entity, immediate parent entity, subsidiaries and with other Macquarie Group entities under common control principally arise from the provision and repayment of funding arrangements which are repayable on demand or may be extended on a term basis and where appropriate may be either subordinated or collateralised, provision of banking and other financial services, provision of management and administration services, the provision of guarantees, restructure of businesses, capital and distributions and trading activities including derivative transactions for managing and hedging market risks, that are governed by standard market practices and arrangements under ISDA Master Agreement, Global Master Repurchase Agreement (GMRA) and other brokerage agreements.

The Master Loan Agreement (MLA) governs the funding and netting arrangements between various subsidiaries and other Macquarie Group entities which are under the common control of MGL and which have acceded to the MLA. The Tripartite Outsourcing Major Services Agreement (TOMSA) governs the provision of intra-group services between subsidiaries and other Macquarie Group entities other than certain excluded entities.

The Consolidated Entity's and the Company's offshore tax liabilities are determined in accordance with the rules of each jurisdiction. As part of this, other tax consolidation or loss sharing regimes may be available which allow the Consolidated Entity and the Company to engage in the sharing of corporate tax balances, including the sharing and utilisation of tax losses, across related Macquarie Group entities. These transactions are completed in the ordinary course of business in accordance with tax regulations in place in jurisdictions that allow for such tax attribute sharing. This may include the Consolidated Entity and the Company are being able to utilise losses made by other Macquarie Group Entities that would otherwise have not been brought to account by those entities in accordance with AASB 112 *Income Taxes*.

Ultimate and immediate parent entities

The Consolidated Entity's and the Company's ultimate parent entity is MGL and the immediate parent entity is Macquarie B.H. Pty Limited (MBHPL). Both MGL and MBHPL are incorporated in Australia. MGL produces consolidated financial statements that are available for public use. Balances outstanding with Ultimate

and immediate parent entities are presented in Due from other Macquarie Group entities or Due to other Macquarie Group entities, as appropriate, separately in the Statements of financial position of the Consolidated Entity and Company except when the parties have the legal right and intention to offset. The balance includes amounts receivable by the Consolidated Entity, in respect of amounts paid in advance for MEREP awards offered to its employees' net of share-based payment expense (refer to Note 40 (xxii) *Performance based remuneration*).

Other Macquarie Group entities

Balances outstanding with other Macquarie Group entities are presented in Due from other Macquarie Group entities or Due to other Macquarie Group entities, as appropriate, separately in the Statements of financial position of the Consolidated Entity and Company except when the parties have the legal right and intention to offset.

Transactions under common control

On 12 April 2024, the Company executed a restructure agreement with Macquarie Financial Limited (MFL) in the Non-Bank Group, to transfer the Equity Derivatives and Trading (EDT) business within the Commodities and Global Markets Operating Group. The transfer of assets or liabilities is undertaken at fair market value as at the transfer date. Under the terms, it has been agreed to transfer economic risk, reward and decision-making for each component of the EDT business at the corresponding transfer date.

On 28 February 2025, the Consolidated Entity sold of its equity interest in Macquarie Corona Energy Holdings Limited and its subsidiaries to Macquarie UK Holdings No. 2 Limited in the Non-Bank Group for a total cash consideration of \$818 million resulting in a gain on disposal of \$610 million.

Subsidiaries

All transactions undertaken with subsidiaries are eliminated in the consolidated financial statements. Balances outstanding with subsidiaries are presented in Due from subsidiaries or Due to subsidiaries, as appropriate, separately in the Statements of financial position of the Company except when the parties have the legal right and intention to offset.

A list of notable subsidiaries is set out in Note 14 *Investment in subsidiaries*.

Note 27

Related party information continued

The following transactions occurred with the ultimate parent, immediate parent and other Macquarie Group entities during the financial year:

	CONSOLIDATED			
	2025		2024	
	Ultimate parent, immediate parent	Other Macquarie Group entities	Ultimate parent, immediate parent	Other Macquarie Group entities
	\$'000	\$'000	\$'000	\$'000
Interest income	3,704	59,397	2,824	12,987
Interest expense	(15,473)	(407,431)	(15,684)	(675,498)
Fees and commission income	6,186	1,471,354	9,199	1,463,015
Investment Income				
Net gain on sale of interest in subsidiaries and businesses	-	609,693	-	-
Other (charges)/income	-	(712)	-	541
Fee and commission expenses	-	(14,000)	-	(18,999)
Other operating expenses	-	-	-	(3,437)
Dividend paid	2,224,000	-	2,079,000	-

The following represents outstanding balances and off balance sheet arrangements with the ultimate parent, immediate parent and other Macquarie Group entities were outstanding as at the financial year end:

	CONSOLIDATED			
	2025		2024	
	Ultimate parent, immediate parent	Other Macquarie Group entities	Ultimate parent, immediate parent	Other Macquarie Group entities
	\$'000	\$'000	\$'000	\$'000
On Balance Sheet				
Due from other Macquarie Group entities	546,653	5,750,729	956,451	3,827,979
Due to other Macquarie Group entities ¹	(472,122)	(8,592,743)	(547,539)	(11,740,303)
Off Balance Sheet				
Undrawn credit commitments:				
Letter of credit	(18,200)	-	(18,200)	(580)
Guarantees	-	(34,598)	-	(1,549)
Performance related contingents	-	-	-	(57,490)
Guarantees received^{1,2}	1,729,847	2,993,617	705,051	7,852,127

¹ Balances with other Macquarie Group entities includes guarantee received by the Company for its exposures with certain Non Extended Licensed Entity (Non-ELE) subsidiaries and certain external counterparties that are guaranteed by MFL, for which MFL has placed cash collateral of \$2,971,445 thousand (2024: \$6,357,769 thousand) with the Company as per the terms of the guarantee arrangement, which is included in the Due to other Macquarie Group entities balance above.

² Balance with Ultimate parent includes Guarantees provided by MGL to counterparties with respect to their exposures to certain subsidiaries.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 27

Related party information continued

The following transactions occurred with the ultimate parent, immediate parent, subsidiaries and other Macquarie Group entities during the financial year:

	COMPANY					
	2025			2024		
	Ultimate parent, immediate parent \$'000	Other Macquarie Group entities \$'000	Subsidiaries \$'000	Ultimate parent, immediate parent \$'000	Other Macquarie Group entities \$'000	Subsidiaries \$'000
Interest income	3,513	59,416	250,335	2,765	11,697	335,254
Interest expense	(12,426)	(402,535)	(1,155,491)	(14,472)	(591,099)	(1,085,335)
Fees and commission income	3,073	(39,826)	363,143	5,089	(30,797)	403,935
Operating lease income	-	-	-	-	-	19,163
Investment Income						
Dividend (Note 2)	-	-	1,196,270	-	-	691,193
Net gain on sale of interest in subsidiaries and businesses	-	-	1,023	-	-	-
Other (charges)/income	-	(576)	15,682	-	(221)	18,406
Fee and commission expenses	-	(6,000)	(98,000)	-	(18,999)	(93,000)
Other operating expenses	-	-	(2,445,033)	-	-	(2,230,249)
Dividend paid	2,224,000	-	-	2,079,000	-	-

Note 27

Related party information continued

The following represents outstanding balances and off balance sheet arrangements with the ultimate parent, immediate parent, subsidiaries and other Macquarie Group entities were outstanding as at the financial year end for the Company:

	COMPANY					
	2025			2024		
	Ultimate parent, immediate parent \$'000	Other Macquarie Group entities \$'000	Subsidiaries \$'000	Ultimate parent, immediate parent \$'000	Other Macquarie Group entities \$'000	Subsidiaries \$'000
On Balance Sheet						
Due from subsidiaries	-	-	6,130,373	-	-	10,110,784
Due to subsidiaries ¹	-	-	(19,452,977)	-	-	(22,650,203)
Due from other Macquarie Group entities	300,315	5,097,353	-	491,747	3,565,966	-
Due to other Macquarie Group entities ²	(339,140)	(8,093,475)	-	(387,359)	(11,490,650)	-
Off Balance Sheet						
Undrawn credit commitments:						
Letter of credit	(18,200)	-	(3,298)	(18,200)	(580)	(23,423)
Guarantees ³	-	(1,328)	(1,608,606)	-	(1,328)	(440,192)
Undrawn commitments	-	-	(520,792)	-	-	(661,900)
Other contingencies and commitments:						
Performance related contingencies	-	-	(18,724)	-	(57,490)	(500)
Guarantees received^{1,2}	-	2,991,264	3,700,792	-	7,839,943	4,099,493

¹ The Company's exposures with certain Non-ELE subsidiaries included in amounts Due from subsidiaries are guaranteed by a subsidiary-Macquarie International Finance Limited (MIFL), for which it has placed cash collateral of \$931,726 thousand (2024: \$801,433 thousand) which is included in the Due to subsidiaries balance above and non-cash collateral \$2,783,240 thousand (2024: \$3,301,859 thousand) with the Company as per the terms of the guarantee arrangement.

² Balances with other Macquarie Group entities includes guarantee received by the Company for its exposures with certain Non-ELE subsidiaries and certain external counterparties that are guaranteed by MFL, for which MFL has placed cash collateral of \$2,971,445 thousand (2024: \$6,357,769 thousand) with the Company as per the terms of the guarantee arrangement, which is included in the Due to other Macquarie Group entities balance above.

³ Balances with subsidiaries includes guarantees to counterparties with respect to their exposures from certain subsidiaries. These guarantees have a notional value of \$4,257,523 thousand (2024: \$8,727,607 thousand) with the amount disclosed in the table above being the component of that guarantee value equivalent to the fair value of the underlying risk position at the reporting date. Guarantee exposures reported in table above are also included under Off balance sheet exposures in Note 12 *Expected credit losses* and Note 33.1 *Credit risk*.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 27

Related party information continued

Associates and joint ventures

The Consolidated Entity provides a range of services to its associates and joint ventures, including the provision of corporate advisory and management services, lending and borrowing activities.

Balances may arise between the Consolidated Entity and its associates and joint ventures from lending and borrowing activities, with loans generally extended on a term basis and, where appropriate, are either subordinated or collateralised.

During the financial year, the following amounts of income/(expense) resulted from transactions with associates and joint ventures.

	CONSOLIDATED		COMPANY	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Net interest income	12,897	5,911	8,218	172
Fees and commission income	5,440	6,126	4,788	4,351
Net other operating income	2,589	4,279	102	800
Other operating expenses	(2,853)	-	-	-
Dividends and distribution	-	-	1,441	4,775

Dividends and distributions of \$13,481 thousand (2024: \$37,383 thousand) were received from the Consolidated Entity's associates and joint ventures. Under the equity method of accounting, these amounts are not included as income but are recorded as a reduction from the carrying amount of the investment.

The following represents balances and off balance sheet arrangements with associates and joint ventures that were outstanding as at financial year end (these exclude amounts which in substance form part of the Consolidated Entity's net investment in associates and joint ventures).

On Balance Sheet				
Amounts receivable	76,338	104,865	71,525	54,355
Amounts payable	(13,273)	(21,386)	(13,273)	(21,117)
Off Balance Sheet				
Guarantees	(22,402)	-	(22,402)	-
Undrawn credit facilities and debt commitment	(70,451)	(42,610)	(70,451)	(29,144)

Note 28

Key management personnel disclosure

Key management personnel (KMP)

The following persons were Directors of the Company during the financial years ended 31 March 2025 and 31 March 2024, unless indicated otherwise.

Executive Voting Directors

S.R. Wikramanayake	Macquarie Group CEO
S.D. Green	Macquarie Bank CEO

Non-Executive Directors

G.R. Stevens AC	Chair
J.R. Broadbent AC	
W.S. Byres ¹	(appointed to the MBL Board effective from 1 February 2024)
P.M. Coffey	
M.A. Hinchliffe	
S.J. Lloyd-Hurwitz ²	(appointed to the MBL Board effective from 28 July 2023)
R.J. McGrath	
M. Roche	
I.M. Saines	
D.J.K. Whiteing ³	(appointed to the MBL Board effective from 27 Sep 2023)

Former Non-Executive Directors

M.J. Coleman ⁴	(ceased to be a member of the MBL Board on 26 July 2024)
N.M. Wakefield Evans AM ⁵	(ceased to be a member of the MBL Board on 27 July 2023)

In addition to the Executive Voting Directors listed above, the following persons also had authority and responsibility for planning, directing and controlling the activities of MBL during the financial years ended 31 March 2025 and 31 March 2024, unless indicated otherwise.

Current Executives⁶

G.N. Bruce	GGC, Head of LGG
A. Cassidy	CRO, Head of RMG
A.H. Harvey	CFO, Head of FPE
N. Sorbara	COO, Head of COG
G.C. Ward	Head of BFS
S.L. Wright	Head of CGM (appointed to the Executive Committee effective from 1 April 2024)

Former Executive Director

N. O'Kane	Former Head of CGM (ceased to be a member of the Executive Committee on 27 February 2024)
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The remuneration arrangements for all of the persons listed above are described on pages 38 to 64 of the Remuneration Report, contained in the Directors' Report.

¹ Mr Byres was appointed to the MBL Board as a Bank-only Non-Executive Director (BOND) on 1 February 2024.

² Ms Lloyd-Hurwitz was appointed to the MBL Board effective 28 July 2023 and MGL Board effective 1 June 2023.

³ Mr Whiteing was appointed to the MBL Board as a BOND on 27 September 2023.

⁴ Mr Coleman ceased to be a member of the MBL Board on 26 July 2024.

⁵ Ms Wakefield Evans ceased to be a member of the MBL Board on 27 July 2023 and the MGL Board on 29 February 2024.

⁶ Except where indicated otherwise, all of the Executives as well as the CEO were members of the Executive Committee as at 9 May 2025.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 28

Key management personnel disclosure continued

Key management personnel remuneration

The following table details the aggregate remuneration for KMP.

	SHORT-TERM EMPLOYEE BENEFITS			LONG-TERM	SHARE-BASED PAYMENTS			Total remuneration
	Salary and fees (including superannuation)	Performance related remuneration ¹	Other benefits	Total short-term employee benefits	Restricted profit share including other long-term employee benefits ²	Equity awards ³	PSUs ⁴	
	\$	\$	\$	\$	\$	\$	\$	\$
Executive Remunerations								
2025 ⁵	6,781,160	26,605,625	-	33,386,785	4,829,195	27,047,181	6,691,755	71,954,916
2024	6,671,058	16,449,845	-	23,120,903	(4,081,518)	(5,988,936)	1,559,432	14,609,881
Non-Executive Remunerations								
2025	3,027,095	-	-	3,027,095	-	-	-	3,027,095
2024	2,740,429	-	-	2,740,429	-	-	-	2,740,429

Loans to KMP and their related parties

Details of loans provided by the Consolidated Entity to KMP and their related parties are disclosed in aggregate in the following table.

	Opening balance as at 1 April	Additions during the year ⁷	Interest charged	Repayments during the year ⁸	Write-downs	Closing balance as at 31 Mar ⁹
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total for KMP and their related parties⁶						
2025	13,469	11,634	484	(8,351)	-	17,236
2024	16,111	2,500	412	(5,554)	-	13,469

¹ The cash portion of each KMP's profit share allocation for the reporting period when they were a KMP.

² The amount of retained profit share held via the DPS plan including earnings on notional investments from retained profit share in prior financial years. FY2024 includes reversal of amounts previously accrued for retained DPS forfeited by Mr. O'Kane upon his resignation.

³ The current year expense for equity awards calculated as described in Note 40(xxii) *Performance based remuneration* and Note 29 *Employee equity participation*. FY2024 includes reversal of amounts previously accrued for RSU awards (net of dividends paid during the vesting period) forfeited by Mr. O'Kane upon his resignation.

⁴ The current year expense for PSUs calculated as described in Note 40(xxii) *Performance based remuneration* and Note 29 *Employee equity participation*. The current year expense is reduced for previously recognised remuneration expense where performance hurdles have not been met, have been partially met or are not expected to be met. FY2024 includes reversal of amounts previously accrued for PSU awards forfeited by Mr. O'Kane upon his resignation.

⁵ For further detail on the impact of changes to KMP composition and forfeitures during the period refer to pages 60 and 61 of the Remuneration Report.

⁶ All loans provided by Macquarie to KMP are made in the ordinary course of business on an arm's length basis and are entered into under normal terms and conditions consistent with other customers and employees. There have been no write-downs during the financial years reported.

⁷ Or loan held as at date of appointment of new KMP.

⁸ Or loan held as at date ceased to be a KMP.

⁹ The aggregate balance included loans to 6 persons (31 March 2024: 4).

Note 29

Employee equity participation

MEREP

MBL participates in its ultimate parent company's, Macquarie Group Limited (MGL), share based compensation plans. For the Macquarie Group Employee Retained Equity Plan (MEREP), awards are granted by MGL to qualifying MBL employees of the Consolidated Entity for delivery of MGL shares.

Award types under the MEREP

Restricted Share Units (RSUs)

A RSU is a beneficial interest in a MGL ordinary share held on behalf of a MEREP participant by the plan trustee (Trustee).

The participant is entitled to receive dividends on the share and direct the Trustee how to exercise voting rights of the share. The participant also has the right to request the release of the share from the MEREP Trust, subject to the vesting and forfeiture provisions of the MEREP.

	NUMBER OF RSU AWARDS	
	2025	2024
RSUs on issue at the beginning of the financial year	7,747,401	6,891,558
Granted during the financial year	1,722,720	3,287,316
Vested RSUs withdrawn or sold from the MEREP during the financial year	(1,793,638)	(1,742,496)
Forfeited during the financial year	(84,566)	(749,354)
Net transfers from other Macquarie Group entities ¹	18,214	60,377
RSUs on issue at the end of the financial year	7,610,131	7,747,401
RSUs vested and not withdrawn from the MEREP at the end of the financial year	228	53,151

The weighted average fair value of the RSU awards granted during the financial year was \$198.30 (2024: \$180.21).

Deferred Share Units (DSUs)

A DSU represents the right to receive on exercise of the DSU either a MGL share held in the Trust or a newly issued MGL share (as determined by MGL in its absolute discretion) for no cash payment, subject to the vesting and forfeiture provisions of the MEREP. A MEREP participant holding a DSU has no right or interest in any share until the DSU is exercised. MGL may issue shares to the Trustee or direct the Trustee to acquire shares on-market, or via a share acquisition arrangement for potential future allocations to holders of DSUs.

Generally, where permitted by law, DSUs will provide for cash payments in lieu of dividends paid on MGL ordinary shares before the DSU is exercised. Further, the number of shares underlying a DSU will be adjusted upon any bonus issue or other capital reconstruction of MGL in accordance with the ASX Listing Rules, so that the holder of a DSU does not receive a benefit that holders of MGL's shares do not generally receive. These provisions are intended to provide the holders of DSUs, as far as possible, with the same benefits and risks as holders of RSUs. However, holders of DSUs will have no voting rights with respect to any underlying MGL ordinary shares.

DSUs will only be offered to MRTs, US awards to CPS511 employees, or in jurisdictions where legal or tax rules make the grant of RSUs impractical, or where PSUs are structured as DSUs (see PSUs). DSUs have been granted with an expiry period of up to nine years.

	NUMBER OF DSU AWARDS	
	2025	2024
DSUs on issue at the beginning of the financial year	1,752,522	1,424,127
Granted during the financial year	858,491	731,716
Forfeited during the financial year	(28,960)	(37,528)
Exercised during the financial year	(540,500)	(364,728)
Net transfers (to)/from other Macquarie Group entities ¹	8,712	(1,065)
DSUs on issue at the end of the financial year	2,050,265	1,752,522
DSUs exercisable at the end of the financial year	595,235	633,363

The weighted average fair value of the DSU awards granted during the financial year was \$186.09 (2024: \$171.03).

¹ Net transfers (to)/from other Macquarie Group entities during the year includes transfers relating to the transfer of employees within Macquarie group entities.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 29

Employee equity participation continued

Award types under the MEREP continued

Performance Share Units (PSUs)

All PSUs currently on issue are structured as DSUs with performance hurdles related to MGL's performance that must be met before the underlying share or cash equivalent (as the case may be) will be delivered. PSU holders have no right to dividend equivalent payments before the PSUs vest.

	NUMBER OF PSU AWARDS	
	2025	2024
PSUs on issue at the beginning of the financial year	423,158	439,154
Granted during the financial year	99,141	132,953
Exercised during the financial year	(49,388)	(77,118)
Expired during the year	(71,073)	(3,214)
Forfeited during the financial year	-	(68,617)
PSUs on issue at the end of the financial year	401,838	423,158
PSUs exercisable at the end of the financial year	-	-

The weighted average fair value of the PSU awards granted during the financial year was \$179.87 (2024: \$151.70).

Participation in the MEREP is currently provided to the following Eligible Employees:

- Executive Directors with retained Directors' Profit Share (DPS), a proportion of which is allocated in the form of MEREP awards (Retained DPS Awards)
- staff other than Executive Directors with retained profit share above a threshold amount (Retained Profit Share Awards) and staff who were promoted to Associate Director, Division Director or Executive Director, who received a fixed Australian dollar value allocation of MEREP awards (Promotion Awards)
- Macquarie Bank staff with retained commission (Commission Awards)
- new Macquarie Bank staff who commence at Associate Director, Division Director or Executive Director level and are awarded a fixed Australian dollar value (New Hire Awards)
- members of the MBL Executive Committees who are eligible for PSUs (PSU awards)
- in limited circumstances, Macquarie Bank staff may receive an equity grant instead of a remuneration or consideration payment in cash. Current examples include individuals who become employees of Macquarie Bank upon the acquisition of their employer by a Macquarie entity or who receive an additional award at the time of joining Macquarie (also referred to above as New Hire Awards).

Note 29

Employee equity participation continued

Award types under the MEREP continued

Vesting periods are as follows:

Award type	Level	Vesting
Retained Profit Share Awards and Promotion Awards	Below Executive Director	1/3 rd in the 2 nd , 3 rd and 4 th year following the year of grant ¹
Retained DPS Awards granted in relation to years 2016 to 2023	Executive Committee members and Designated Executive Directors	1/5 th in the 3 rd , 4 th , 5 th , 6 th and 7 th year following the year of grant ²
Retained DPS Awards granted in relation to years 2016 to 2023	All other Executive Directors	1/3 rd in the 3 rd , 4 th and 5 th year following the year of grant ²
Retained DPS Awards granted in relation to 2024 and following years	Executive Committee members and other Executive Directors	1/3 rd in the 3 rd , 4 th and 5 th year following the year of grant ²
PSU Awards granted in relation to 2019	Executive Committee members (including MGL CEO and MBL CEO)	50% in the 3 rd and 4 th years following the year of grant ³
PSU Awards granted in relation to 2020 and following years	Executive Committee members (excluding MGL CEO and MBL CEO)	100% in the 4 th year following the year of grant ³
PSU Awards granted in relation to years 2020 to 2023	MGL CEO and MBL CEO	100% in the 4 th year following the year of grant ³
PSU Awards granted in relation to 2024 and following years	MGL CEO and MBL CEO	100% in the 5 th year following the year of grant ³
Commission Awards	Below Executive Director	1/3 rd in the 2 nd , 3 rd and 4 th year following the year of grant ¹
New Hire Awards	All Director-level staff	1/3 rd in the 2 nd , 3 rd and 4 th year following the year of grant ¹

In limited cases, the invitation or application form for awards may set out a different vesting period, in which case that period will be the vesting period for the award. For example, staff in certain jurisdictions may have a different vesting period due to local regulatory requirements.

For Retained Profit Share awards representing FY2024 retention, the allocation price was the weighted average price of the shares acquired for the 2024 purchase period, which was 13 May 2024 to 19 June 2024. That price was calculated to be \$191.54 (2023 retention: \$179.17).

¹ Vesting will occur during an eligible staff trading window. If an employee has been on leave without pay (excluding leave to which the Employee may be eligible under local laws) for twelve months or more, the Vesting Period may be extended accordingly.

² Vesting will occur during an eligible staff trading window. If an Executive Director has been on leave without pay (excluding leave to which the Executive Director may be eligible under local laws) for 12 months or more, the vesting period may be extended accordingly.

³ Subject to achieving certain performance hurdles.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 29

Employee equity participation continued

Performance Share Units (PSUs)

PSUs will only be released or become exercisable subject to pre-vest assessment¹ and upon the achievement of performance hurdles related to MGL's performance. Only members of the MBL Executive Committees are eligible to receive PSUs. For the PSUs allocated to Executive Committee Members, two performance hurdles have been determined and each will apply individually to 50% of the total number of PSUs awarded. Hurdles are periodically reviewed by the Board Remuneration Committee (BRC) to ensure they continue to align the interests of staff and shareholders and provide a challenging but meaningful incentive to Executive Committee members. The BRC considers historical and forecast market data, the views of corporate governance groups, shareholders and regulators as well as market practice. No change has been made to the hurdles for this financial year.

The hurdles are outlined below.

Performance hurdle 1

Hurdle	Reference group
50% of the PSUs based solely on the relative average annual return on ordinary equity (ROE) over the vesting period compared to a reference group of global financial institutions. A sliding scale applies with 50% becoming exercisable above the 50th percentile and 100% vesting at the 75th percentile.	The current reference group comprises Bank of America Corporation, Barclays PLC, Citigroup Inc., Deutsche Bank AG, Goldman Sachs Group Inc., JPMorgan Chase & Co., Lazard Limited, Morgan Stanley and UBS AG. ²

Performance hurdle 2

Hurdle	Required result
50% of the PSUs based solely on the compound annual growth rate (CAGR) in earnings per share (EPS) over the vesting period.	A sliding scale applies with 50% becoming exercisable at EPS CAGR of 7.5% and 100% at EPS CAGR of 12%. For example, if EPS CAGR were 9.75%, 75% of the relevant awards would become exercisable.

Under both performance hurdles, the condition is examined once only. Testing occurs annually on 30 June immediately before vesting on 1 July, based on the most recent financial year-end results available. To the extent that a condition is not met when examined, the PSUs due to vest will not be exercisable upon vesting, resulting in no benefit to Executive Committee members.

Pre-vest assessment (At end of vesting period)

Prior to vesting of PSU awards, the Board will conduct a holistic assessment of the Executive Committee's collective contribution to driving the performance of Macquarie over the vesting period, based on the extent to which the Executive Committee has:

1. promoted behaviour that is consistent with and reflects Macquarie's risk culture and *Code of Conduct* and the principles of *What We Stand For*
2. overseen the effectiveness of Macquarie's risk management framework, policies and practices in managing key financial and non-financial risks
3. overseen funding, liquidity and capital management to ensure Macquarie's financial soundness.

Where the Board forms a negative overall assessment of the relevant Executive Committee's collective contribution, it may consider whether an adjustment is appropriate, taking into account any mitigating and aggravating factors.

To assist the Board with their determination of an adjustment to the PSU vesting outcome, and to ensure that the determination encompasses all relevant considerations, the BRC will receive reporting over the vesting period.

¹ Pre-vest assessment applicable for awards to be granted in relation to FY2024 and following years.

² For unvested PSU awards made prior to FY2023, the reference group included Bank of America Corporation, Barclays PLC, Credit Suisse, Deutsche Bank AG, Goldman Sachs Inc., JP Morgan Chase & Co., Lazard Ltd, Morgan Stanley and UBS AG.

Note 29

Employee equity participation continued

Award types under the MEREP continued

Assumptions used to determine fair value of MEREP awards

RSUs and DSUs are measured at their grant dates based on their fair value¹ and for each PSU, the awards expected to vest are measured on the basis of the assumptions below. This amount is recognised as an expense over the respective vesting periods.

RSUs, DSUs and PSUs relating to the MEREP plan for Executive Committee members have been granted in the current financial year in respect of the FY2024 performance. The accounting fair value of each of these grants is estimated using MGL's share price on the date of grant and for each PSU also incorporates a discounted cash flow method using the following key assumptions:

- interest rate to maturity: 3.87% per annum (3.89% for grants to the CEO and the MBL CEO)
- expected vesting dates of PSUs: 1 July 2028 (1 July 2029 for the CEO and the MBL CEO)
- dividend yield: 3.69% per annum.

While RSUs, DSUs and PSUs (for Executive Committee members) for FY2025 will be granted during FY2026, the Company begins recognising an expense for these awards (based on an initial estimate) from 1 April 2024 related to these future grants. The expense is estimated using the estimated MEREP retention for FY2025 and applying the vesting profile to the retained amount.

For PSU, the estimate also incorporates an interest rate to maturity of 3.91% per annum (3.98% for grants to the MGL CEO and the MBL CEO), expected vesting date of 1 July 2029 (1 July 2030 for the MGL CEO and the MBL CEO), and a dividend yield of 3.62% per annum. In the following financial year, the Consolidated Entity will adjust the accumulated expense recognised for the final determination of fair value for each RSU, DSU and PSU when granted and will use this valuation for recognising the expense over the remaining vesting period. The Consolidated Entity annually reviews its estimates of the number of awards (including those delivered through MEREP) that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the employment expenses in the income statement.

For the financial year ended 31 March 2025, compensation expense relating to the MEREP totalled \$478,339 thousand (2024: \$444,122 thousand).

Employee Share Plan

MBL also participates in MGL's Macquarie Group Employee Share Plan (ESP) whereby each financial year eligible employees are offered up to \$1,000 worth of fully paid MGL ordinary shares for no cash consideration.

Shares allocated under the ESP cannot be sold until the earlier of three years after allocation or the time when the participant is no longer employed by MGL or a subsidiary of MGL. In all other respects, shares allocated rank equally with all other fully paid ordinary shares then on issue.

The latest offer under the ESP was made during November 2024. A total of 2,555 (2024: 2,258) staff participated in this offer.

On 6 December 2024, the participants were each allocated 4 (2024: 6) fully paid ordinary shares based on the offer amount of \$1,000 and the average market share price of \$233.37 (2024: \$166.34), resulting in a total of 10,220 (2024: 13,548) shares being allocated. The shares were allocated to staff for no cash consideration. The aggregate value of the shares allocated was deducted from staff profit share and commissions.

For the financial year ended 31 March 2025, compensation expense relating to the ESP totalled \$2,367 thousand (2024: \$2,255 thousand).

Other plans

MBL operates other local share-based compensation plans, none of which, individually or in aggregate are material.

¹ For employees categorised as Material Risk Takers who are required to comply with the European Banking Authority Guidelines on the CRD IV and CRD V remuneration requirements, the fair value of the awards granted for performance periods after 1 April 2019 has been adjusted to take into account the prohibition of dividends on unvested awards.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 30

Contingent liabilities and commitments

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Undrawn credit commitments				
Undrawn credit facilities and debt commitment ¹	23,986	23,137	24,264	22,366
Letter of credit and guarantees	2,860	2,020	4,370	2,427
Total undrawn credit commitments	26,846	25,157	28,634	24,793
Other contingencies and commitments				
Asset development and purchase commitments	133	527	105	388
Performance-related contingencies ²	546	318	510	310
Total other contingencies and commitments	679	845	615	698
Total contingent liabilities and commitments	27,525	26,002	29,249	25,491

Note 31

Structured entities

A Structured Entity (SE) is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. SEs are generally established with restrictions on their ongoing activities in order to achieve narrow and well-defined objectives. SEs are classified as subsidiaries and are consolidated when control exists.

The Consolidated Entity engages with SEs for securitisation, asset-backed financing and structured financing arrangements in order to diversify its sources of funding for asset origination and capital efficiency purposes. The Consolidated Entity also engages with SEs when providing fund administration and other fiduciary activities. The Consolidated Entity's involvement with SEs is primarily of the following nature.

Type	Details
Securitisation	<p>Securitisations involve transferring assets into a vehicle that sells beneficial interests to investors through the issue of debt and equity notes with varying levels of subordination. The notes are collateralised by the assets transferred to these vehicles and pay a return based on the returns of those assets, with residual returns paid to the most subordinated investor.</p> <p>These vehicles are created for securitising assets, including mortgages, and finance leases.</p> <p>The Consolidated Entity also establishes SEs on behalf of customers to securitise their loans or receivables and may manage these securitisation vehicles or provide liquidity or other support.</p> <p>The Consolidated Entity may serve as a sponsor, servicer, underwriter, liquidity provider, derivative counterparty, purchaser of notes and/or purchaser of residual income units. The Consolidated Entity may also provide redraw facilities or loan commitments to securitisation vehicles.</p>
Asset-backed financing	<p>Asset-backed vehicles are used to provide tailored lending for the purchase or lease of assets transferred by the Consolidated Entity or its clients. The assets are normally pledged as collateral to the lenders. The Consolidated Entity engages in raising finance for assets such as vessels, electronic and IT equipment.</p>
Structured financing and other arrangements	<p>Includes:</p> <ul style="list-style-type: none"> financing for prepaid commodity contracts. The Consolidated Entity has contractually guaranteed the performance obligation under these arrangements financing through loans and reverse repurchase agreements for short-term term funding requirements of SEs which are sponsored by third parties.
Funds administration activities	<p>The Consolidated Entity conducts fund administration and other fiduciary activities as responsible entity, trustee, custodian, of funds, trusts including superannuation and approved deposit funds, wholesale and retail trusts.</p> <p>The Consolidated entity's interests in these funds primarily represents fees receivables for the services.</p>

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 of \$16,874 million (2024: \$14,839 million) which are considered to be exposed to credit risk.

² It is not practicable to ascertain the timing of any outflow and the possibility of any reimbursement related to these contingent liabilities.

Note 31

Structured entities continued

The following table presents the carrying value and maximum exposure to loss (before the benefit of collateral and credit enhancements) of the Consolidated Entity's interests in unconsolidated SEs.

	2025				2024			
	Securitisations	Asset-backed financing	Structured Financing and other arrangements	Total	Securitisations	Asset-backed financing	Structured Financing and other arrangements	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Maximum exposure to loss								
Carrying value of assets:								
Loan assets	1,247	1,935	5,450	8,632	1,317	1,895	5,011	8,223
Financial investments	3,202	-	-	3,202	2,314	-	-	2,314
Trading, derivative and other assets	28	-	-	28	384	-	-	384
Reverse repurchase agreements	-	-	4,406	4,406	-	-	3,212	3,212
Total carrying value of assets¹	4,477	1,935	9,856	16,268	4,015	1,895	8,223	14,133
Undrawn commitments	53	54	218	325	70	21	150	241
Total maximum exposure to loss	4,530	1,989	10,074	16,593	4,085	1,916	8,373	14,374

The Consolidated Entity's exposure to securitisation entities in the nature of financial investments, margin money, derivatives, trading assets and reverse repurchase agreements are acquired for the purpose of trading and liquidity management. These exposures are typically managed under credit and market risk limits described in Note 33.1 *Credit risk* and Note 33.3 *Market risk*. For these reasons, information on the size and structure for these SEs is not considered meaningful for understanding the related risks, and have not been presented in the table above.

In respect of the Consolidated Entity's loan assets' exposure in securitisation, asset-backed financing entities and structured financing, the total size of the unconsolidated SEs is \$86,414 million (2024: \$74,580 million). Size is based on the latest available information representing either the total assets of the SE (measured either at amortised cost excluding impairments or fair values if readily available), outstanding notional of issued notes or the principal amount of liabilities if there is nominal equity.

For the above exposures, the Consolidated Entity does not sponsor or control the SE, nor is it a significant user of the services of these SEs.

Additionally, as part of its funds administration activities the Consolidated Entity has interests in certain funds primarily in the form of fee receivables representing the Consolidated Entity's maximum exposure to loss which is disclosed in Note 10 *Other assets*.

¹ Includes non-investment grade interests of \$427 million (2024: \$829 million) in securitisation activities, \$1,935 million (2024: \$1,269 million) in asset-backed financing activities and \$1,106 million (2024: \$886 million) in structured financing and other arrangements.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 32

Hedge accounting

Hedging strategy

The use of derivative and non-derivative instruments to economically hedge non-traded positions potentially gives rise to income statement volatility as a result of mismatches in the accounting treatment between the derivative and non-derivative instruments and the related exposure. The Consolidated Entity's objective is to reduce the risk of volatility in earnings, within pre-defined thresholds. This volatility is managed through designation of hedge accounting relationships and the use of naturally offsetting positions in the income statement.

Hedging instruments

Detail on hedging instruments, the nature of hedged risks, as well as the notional and the carrying amount of derivative financial instruments and, in the case of hedges of net investment in foreign operations, the notional of foreign currency denominated borrowings and other balance sheet items, for each type of hedge relationship, is shown in the respective sections. The maturity profile for the hedging instruments' notional amounts are reported based on their contractual maturity. Where a cross currency swap has been dual designated in both a cash flow and a fair value hedge, the notional is shown more than once. Increases in notional profiles of hedging instruments are presented as negative figures, with decreases and maturities presented as positive figures.

Hedging ineffectiveness

In the case of a fair value hedge, hedge ineffectiveness is the extent to which the changes in the fair value of the hedging instrument differ to that of the hedged item for the hedged risk. In the case of a cash flow hedge, hedge ineffectiveness is the extent to which the change in the fair value of the hedging instrument exceeds, in absolute terms, that of the hedged item. In the case of hedges of net investment in foreign operations, hedge ineffectiveness is the extent to which the change in the carrying amount of foreign currency denominated borrowings and other balance sheet items attributable to the change in exchange rates exceeds, in absolute terms, that of the hedged item. Sources of hedge ineffectiveness primarily arise from basis and timing differences between the hedged items and hedging instruments and designating existing derivatives with a non-zero fair value as hedging instruments. Hedge ineffectiveness is reported in net trading income in the income statement.

Note 32

Hedge accounting continued

Cash flow hedges

The cash flow hedge reserve, representing the effective portion of the movements in the hedging instrument, is disclosed in Note 25(i) *Reserves*. Changes in this reserve are reported in the Consolidated Entity's Statements of comprehensive income. The cumulative gains and losses remaining in the cash flow hedge reserve for hedging relationships that have ceased, but for which the hedged cash flows are still expected to occur are \$nil (2024: \$1 million loss) for the Consolidated Entity and \$nil (2024: \$1 million loss) for the Company. These amounts will be reclassified to the income statement as and when the hedged item affects profit and loss.

Hedging instruments

Instrument type	Risk category	MATURITY ANALYSIS PER NOTIONAL				
		Less than 3 months \$m	3 to 12 months \$m	1 to 5 years \$m	Over 5 years \$m	Total \$m
CONSOLIDATED 2025						
Derivative assets						
Cross currency swaps	Foreign exchange	32	95	2,661	462	3,250
Interest rate swaps and options	Interest rate	2,979	7,322	3,001	574	13,876
Derivative liabilities						
Cross currency swaps	Foreign exchange	-	-	-	73	73
Interest rate swaps and options	Interest rate	1	2,186	1,294	17	3,498
Borrowings						
Foreign currency denominated borrowings	Foreign exchange	70	125	-	-	195
CONSOLIDATED 2024						
Derivative assets						
Cross currency swaps	Foreign exchange	31	91	1,371	905	2,398
Interest rate swaps and options	Interest rate	2,680	8,149	1,279	567	12,675
Derivative liabilities						
Cross currency swaps	Foreign exchange	-	141	-	73	214
Interest rate swaps and options	Interest rate	301	777	3,188	21	4,287
Borrowings						
Foreign currency denominated borrowings	Foreign exchange	11	-	187	-	198
CONSOLIDATED CARRYING AMOUNT						
Instrument type	Risk category	2025		2024		
		Asset \$m	Liability \$m	Asset \$m	Liability \$m	
Cross currency swaps	Foreign exchange	411	1	343	30	
Interest rate swaps and options ¹	Interest rate	162	10	133	10	
Foreign currency denominated borrowings	Foreign exchange	-	42	-	120	

¹ The carrying amounts of hedging instrument derivative assets includes amount of \$8 million (2024: \$1 million) which are disclosed in the Consolidated Entity's Statement of financial position as 'Due from other Macquarie Group entities'.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 32

Hedge accounting continued

		MATURITY ANALYSIS PER NOTIONAL				
Instrument type	Risk category	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
		\$m	\$m	\$m	\$m	\$m
COMPANY 2025						
Derivative assets						
Cross currency swaps	Foreign exchange	32	94	758	462	1,346
Interest rate swaps and options	Interest rate	2,979	7,322	3,001	574	13,876
Derivative liabilities						
Cross currency swaps	Foreign exchange	-	-	-	73	73
Interest rate swaps and options	Interest rate	1	2,186	1,294	17	3,498
COMPANY 2024						
Derivative assets						
Cross currency swaps	Foreign exchange	31	91	378	905	1,405
Interest rate swaps and options	Interest rate	2,680	8,149	1,279	567	12,675
Derivative liabilities						
Cross currency swaps	Foreign exchange	-	141	-	73	214
Interest rate swaps and options	Interest rate	301	777	3,188	21	4,287
		COMPANY CARRYING AMOUNT				
Instrument type	Risk category	2025		2024		
		Asset \$m	Liability \$m	Asset \$m	Liability \$m	
Cross currency swaps	Foreign exchange	212	1	227	30	
Interest rate swaps and options ¹	Interest rate	162	10	133	10	

¹ The carrying amounts of hedging instrument derivative assets includes amount of \$8 million (2024: \$1 million) which are disclosed in the Company's Statement of financial position as 'Due from other Macquarie Group entities'.

Note 32

Hedge accounting continued

Hedge ineffectiveness

In the case of cash flow hedge relationships, hedge ineffectiveness is the extent to which the change in the fair value of the hedging instrument exceeds, in absolute terms, that of the hedged item.

Hedging instruments	Risk category	GAIN/(LOSS) ON HEDGING INSTRUMENT		GAIN/(LOSS) ON HEDGED ITEM		HEDGE INEFFECTIVENESS GAIN/(LOSS)	
		2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
CONSOLIDATED							
Cross currency swaps	Foreign exchange	3	(1)	(3)	1	-	-
Interest rate swaps and options	Interest rate	19	(11)	(31)	15	(12)	4
Foreign currency denominated borrowings	Foreign exchange	1	2	(1)	(2)	-	-
Total		23	(10)	(35)	14	(12)	4
COMPANY							
Cross currency swaps	Foreign exchange	3	3	(3)	(3)	-	-
Interest rate swaps and options	Interest rate	19	(11)	(31)	15	(12)	4
Total		22	(8)	(34)	12	(12)	4

Hedge accounting executed rates

The following table shows the executed rates for the most significant hedging instruments designated in cash flow hedges, which represent the contractual rates when the hedging instruments were traded.

Hedging instruments	Currency pair/currency	CONSOLIDATED		COMPANY	
		2025	2024	2025	2024
Cross currency swaps	AUD/EUR	0.61-0.68	0.68	0.68	0.68
	USD/GBP	0.66	0.66	0.66	0.66
	AUD/NOK	-	5.88	-	5.88
Interest rate swaps and options	AUD	0.56%-5.96%	0.56%-5.96%	0.56%-5.96%	0.56%-5.96%
	GBP	0.97%-4.65%	0.97%-4.65%	0.97%-4.65%	0.97%-4.65%

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 32

Hedge accounting continued

Net investment in foreign operation hedges

The Consolidated Entity's net investment in foreign operations (NIFO) changes as a result of earnings, dividends, other capital-related events and changes in the Consolidated Entity's group structure as a result of internal restructures. The risk of changes in the NIFO for movements in foreign exchange rates may be hedged by the Consolidated Entity using a combination of derivatives, foreign currency denominated Issued debt securities and other balance sheet items. Refer to Note 33.3 *Market risk: Non-traded market risk* for further information on the Consolidated Entity's risk management strategy.

In order to reflect the Consolidated Entity's risk management strategy, hedge accounting is applied where changes in the derivatives and foreign denominated Issued debt securities and other balance sheet items are recognised, together with the related foreign currency translation reserve, in the Consolidated Entity's other comprehensive income and is subsequently reclassified to the income statement or re-attributed within equity as defined in Note 40 (iii) *Foreign currency translation: Subsidiaries and other equities*. Hedge ineffectiveness, if any is recognised in the income statement. Given that the Consolidated Entity's NIFO frequently changes, the hedge designations are reviewed on a monthly basis or more frequently where required.

Hedging instrument	Risk category	CARRYING AMOUNT			
		ASSET		LIABILITY	
		2025	2024	2025	2024
		\$m	\$m	\$m	\$m
CONSOLIDATED					
Foreign exchange contracts and other foreign currency denominated balance sheet items ¹	Foreign exchange	94	167	96	78
Issued debt securities and other borrowings	Foreign exchange	-	-	12,557	11,893
COMPANY					
Foreign exchange contracts and other foreign currency denominated balance sheet items ¹	Foreign exchange	24	68	88	81
Issued debt securities and other borrowings	Foreign exchange	-	-	6,352	5,273
Hedging instrument	Risk category	NOTIONAL AMOUNT			
		ASSET		LIABILITY	
		2025	2024	2025	2024
		\$m	\$m	\$m	\$m
CONSOLIDATED					
Foreign exchange contracts and other foreign currency denominated balance sheet items ¹	Foreign exchange	1,787	2,274	3,329	1,892
Issued debt securities and other borrowings	Foreign exchange	-	-	12,677	11,812
COMPANY					
Foreign exchange contracts and other foreign currency denominated balance sheet items ¹	Foreign exchange	707	1,191	2,883	1,401
Issued debt securities and other borrowings	Foreign exchange	-	-	6,477	5,121

In order to hedge the currency exposure of certain net investment in foreign operations, the Consolidated Entity jointly designates hedging instruments from the currency of the underlying foreign operation to USD and then the hedging instruments from USD to AUD. As a result, the notional value of hedging instruments presented in the table above by the Consolidated Entity of \$17,793 million (2024: \$15,978 million) and Company of \$10,067 million (2024: \$7,713 million) represents the notional of Foreign currency denominated Issued debt securities, Foreign exchange contracts and other foreign currency denominated balance sheet items. The notional of the underlying hedged component of the Consolidated Entity's and Company's respective net investment in foreign operation is \$12,658 million (2024: \$11,805 million) and \$6,548 million (2024: 5,239 million). Hedge ineffectiveness is the extent to which the absolute change in either the fair value of the derivative or the carrying amount of foreign currency denominated borrowings attributable to the change in exchange rates exceeds that of the hedged item. There was no ineffectiveness recognised in the income statement by the Consolidated Entity or the Company in the current year (2024: \$nil).

¹ Where the fair value of the derivative is positive/(negative), the notional of the derivative has been similarly included in the table as an asset/(liability). Foreign exchange contracts and other foreign currency denominated balance sheet items are primarily presented on the face of the Statement of financial position as Derivative Assets, Derivative Liabilities and Cash and bank balances.

Note 32

Hedge accounting continued

Fair value hedges

The fair value attributable to the hedged risk is recognised as a fair value adjustment to the hedged item on the balance sheet. In an effective fair value hedge relationship, movements in this fair value adjustment are largely offset by movements in the fair value of the hedging instrument. Any residual movement is recognised as ineffectiveness in net trading income in the income statement. Executed rates for fair value hedges have not been shown as these would represent the market reference rates at the time of designation.

Hedging instruments

		MATURITY ANALYSIS PER NOTIONAL				
Instrument type	Risk category	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
		\$m	\$m	\$m	\$m	\$m
CONSOLIDATED 2025						
Derivative assets						
Interest rate swaps and options	Interest rate	3,244	4,281	7,038	749	15,312
Basis swaps	Interest rate	-	1,038	1,211	-	2,249
Commodity derivatives	Commodity price	-	-	-	-	-
Foreign exchange forwards and swaps	Foreign exchange	20	164	192	-	376
Derivative liabilities						
Cross currency swaps	Interest rate	-	-	1,903	73	1,976
Interest rate swaps and options	Interest rate	734	6,864	4,142	5,185	16,925
Commodity derivatives	Commodity price	73	435	581	-	1,089
Foreign exchange forwards and swaps	Foreign exchange	53	271	389	-	713
CONSOLIDATED 2024						
Derivative assets						
Interest rate swaps and options	Interest rate	584	2,411	6,222	749	9,966
Basis swaps	Interest rate	-	-	993	-	993
Commodity derivatives	Commodity price	-	174	446	-	620
Foreign exchange forwards and swaps	Foreign exchange	21	41	361	-	423
Derivative liabilities						
Cross currency swaps	Interest rate	-	141	993	73	1,207
Interest rate swaps and options	Interest rate	564	6,233	5,157	5,399	17,353
Commodity derivatives	Commodity price	21	131	598	-	750
Foreign exchange forwards and swaps	Foreign exchange	-	273	675	-	948
CONSOLIDATED CARRYING AMOUNT						
		2025		2024		
Instrument type	Risk category	Asset	Liability	Asset	Liability	
		\$m	\$m	\$m	\$m	
Cross currency swaps	Interest rate	-	9	-	38	
Interest rate swaps and options	Interest rate	243	558	200	874	
Basis swaps	Interest rate	6	-	6	-	
Commodity derivatives	Commodity price	-	111	11	38	
Foreign exchange forwards and swaps	Foreign exchange	19	24	13	44	

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 32

Hedge accounting continued

		MATURITY ANALYSIS PER NOTIONAL				
Instrument type	Risk category	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
		\$m	\$m	\$m	\$m	\$m
COMPANY 2025						
Derivative assets						
Interest rate swaps and options	Interest rate	3,294	4,509	6,779	749	15,331
Basis swaps	Interest rate	-	1,038	1,211	-	2,249
Commodity derivatives	Commodity price	-	-	-	-	-
Foreign exchange forwards and swaps	Foreign exchange	20	164	192	-	376
Derivative liabilities						
Cross currency swaps	Interest rate	-	-	-	73	73
Interest rate swaps and options	Interest rate	734	6,888	4,034	5,185	16,841
Commodity derivatives	Commodity price	73	435	581	-	1,089
Foreign exchange forwards and swaps	Foreign exchange	53	271	388	-	712
COMPANY 2024						
Derivative assets						
Interest rate swaps and options	Interest rate	369	2,406	6,298	749	9,822
Basis swaps	Interest rate	-	-	993	-	993
Commodity derivatives	Commodity price	-	174	446	-	620
Foreign exchange forwards and swaps	Foreign exchange	21	41	361	-	423
Derivative liabilities						
Cross currency swaps	Interest rate	-	141	-	73	214
Interest rate swaps and options	Interest rate	627	6,233	5,013	5,399	17,272
Commodity derivatives	Commodity price	21	131	598	-	750
Foreign exchange forwards and swaps	Foreign exchange	-	273	675	-	948

The Company designates certain equity investments in foreign currency denominated subsidiaries as hedged items in fair value hedges of foreign exchange risk. The notional value of these hedges amounts to \$2,301 million (2024: 2,116 million). These balances change periodically, which result in periodic rebalancing of the hedge designations.

		COMPANY CARRYING AMOUNT			
Instrument type	Risk category	2025		2024	
		Asset \$m	Liability \$m	Asset \$m	Liability \$m
Cross currency swaps	Interest rate	-	4	-	11
Interest rate swaps and options	Interest rate	249	557	212	874
Basis swaps	Interest rate	6	-	6	-
Commodity derivatives	Commodity price	-	111	11	38
Foreign exchange forwards and swaps	Foreign exchange	19	24	13	44
Foreign currency denominated borrowings	Foreign exchange	-	2,301	-	2,192

Note 32

Hedge accounting continued

Hedged item

As the hedged item is adjusted only for the hedged risk, the hedged item's carrying value disclosed in the table will not be equivalent to its fair value as disclosed in other notes to these financial statements. The accumulated amount of the fair value hedge adjustments remaining in the Statements of financial positions for hedged items that have ceased to be adjusted for hedging gains and losses is \$9 million loss (2024: \$22 million loss) for the Consolidated Entity and \$9 million loss for the Company (2024: \$4 million gain) and have been included in the fair value hedge adjustment in the table that follows. These amounts will be amortised to the income statement on an effective interest rate basis.

	2025			2024		
	Gross amount	Fair value hedge adjustment	Carrying amount ¹	Gross amount	Fair value hedge adjustment	Carrying amount ¹
	\$m	\$m	\$m	\$m	\$m	\$m
CONSOLIDATED						
Assets						
Financial investments ²	2,414	-	2,414	1,993	-	1,993
Loan assets	3,164	11	3,175	2,945	(25)	2,920
Property, plant and equipment	794	23	817	961	(67)	894
Liabilities						
Issued debt securities	21,630	(35)	21,595	15,511	(297)	15,214
Loan capital	7,754	(473)	7,281	7,619	(642)	6,977
Bank borrowings	798	1	799	767	-	767
COMPANY						
Assets						
Financial investments ²	2,419	-	2,419	1,998	-	1,998
Loan assets	3,054	2	3,056	2,678	(49)	2,629
Property, plant and equipment	794	23	817	961	(67)	894
Investments in subsidiaries	1,963	249	2,212	1,963	153	2,116
Other assets	85	4	89	-	-	-
Liabilities						
Issued debt securities	19,770	(39)	19,731	14,581	(283)	14,298
Loan capital	7,754	(473)	7,281	7,619	(642)	6,977
Bank borrowings	798	1	799	767	-	767

¹ The carrying amounts in the table above exclude accrued interest and include fair value hedge adjustments.

² The carrying amount includes debt instruments classified at fair value through other comprehensive income. Where this applies the fair value hedge adjustment for interest rate risk is recognised in the income statement together with changes in the fair value of the hedging instrument.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 32

Hedge accounting continued

Hedge ineffectiveness

In the case of a fair value hedge, hedge ineffectiveness is the extent to which the changes in the fair value of the hedging instrument differ to that of the hedged item attributable to the hedged risk.

Hedging instruments	Risk category	GAIN/(LOSS) ON HEDGING INSTRUMENT		GAIN/(LOSS) ON HEDGED ITEM		HEDGE INEFFECTIVENESS GAIN/(LOSS)	
		2025 \$m	2024 \$m	2025 \$m	2024 \$m	2025 \$m	2024 \$m
CONSOLIDATED							
Cross currency swaps	Interest rate	22	14	(22)	(15)	-	(1)
Interest rate swaps and options	Interest rate	329	(94)	(337)	95	(8)	1
Basis swaps	Interest rate	1	-	(1)	-	-	-
Commodity derivatives	Commodity price	(128)	48	128	(48)	-	-
Foreign exchange forwards and swaps	Foreign exchange	38	22	(38)	(22)	-	-
Total		262	(10)	(270)	10	(8)	-
COMPANY							
Cross currency swaps	Interest rate	3	1	(3)	(2)	-	(1)
Interest rate swaps and options	Interest rate	325	(78)	(327)	71	(2)	(7)
Basis swaps	Interest rate	1	-	(1)	-	-	-
Commodity derivatives	Commodity price	(128)	48	128	(48)	-	-
Foreign exchange forwards and swaps	Foreign exchange	38	22	(38)	(22)	-	-
Foreign currency denominated borrowings	Foreign exchange	(101)	(39)	101	39	-	-
Total		138	(46)	(140)	38	(2)	(8)

Note 33

Financial risk management

Risk Management and Risk Management Group (RMG)

Risk is an integral part of the Consolidated Entity's businesses. The material risks faced by the Consolidated Entity include aggregate, asset, conduct, credit, environmental and social, equity, financial crime, legal, liquidity, market, operational (including cyber and information security), regulatory and compliance, reputational, strategic, tax, and work health and safety risks.

The primary responsibility for risk management lies with the business. An important part of the role of all staff throughout the Consolidated Entity is to ensure they manage risks appropriately.

RMG is independent of other areas of the Consolidated Entity. RMG approval is required for all material risk acceptance decisions. RMG reviews and assesses risks and sets limits. Where appropriate, these limits are approved by the Executive Committee and the Board.

The Head of RMG, as the Consolidated Entity's CRO, is a member of the Executive Committee of MGL and MBL and reports directly to the Macquarie Group CEO with a secondary reporting line to the Board Risk Committee. Further details on the Risk Management Framework in the Consolidated Entity can be found in the Risk Management Report of this Annual Report.

Note 33.1 Credit risk

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

Credit risk assessment and approval

Exercise of credit authority within the Consolidated Entity is undertaken under authority delegated by the MGL and MBL Boards directly. Credit risk assessments include comprehensive review of the creditworthiness of the counterparty and related entities, key risk and mitigants, and that the downside risk is properly understood and acceptable.

After this analysis is undertaken, limits are set for an acceptable level of potential exposure. All wholesale limits and ratings are reviewed at least once a year or more frequently if required. Retail credit exposures are monitored by the business units and overseen by RMG Credit on a portfolio basis.

All credit exposures are monitored regularly against limits. For limit monitoring, credit exposures for loan assets are reported at amortised cost. Derivative exposures are measured using high confidence potential future underlying asset prices.

To mitigate credit risk, where appropriate, the Consolidated Entity makes use of margining and other forms of collateral or credit enhancement techniques (including guarantees, letters of credit and the purchase of credit default swaps).

Ratings and reviews

Refer to Note 12 *Expected credit losses* for details regarding the manner in which the Consolidated Entity has adopted and applied AASB 9's expected credit loss impairment requirements.

For the purpose of presenting the credit risk associated with assets on the Consolidated Entity's Statements of financial position in accordance with the requirements of AASB 9, the following methodology has been adopted.

Wholesale rating

Macquarie wholesale ratings broadly correspond to Standard & Poor's credit ratings as follows.

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

Retail rating

Retail pools are mapped to the credit quality grades based on their PDs.

Mapping retail portfolios to the credit grades has been done for comparability of the overall portfolio presentation and does not reflect the way that the retail portfolio is segmented for management purposes. Management reviews a range of information, including past due status for the portfolio, to assess the credit quality of these assets.

Due from subsidiaries/due from other Macquarie Group entities

Balances with subsidiaries and other Macquarie Group entities are mapped to the rating grades assigned internally to these counterparties for the pricing of internal funding arrangements on an arm's length basis.

Portfolio and country risk

A review of the credit portfolio analysing credit concentrations by counterparty, geography, risk type, industry and credit quality is carried out quarterly and reported to the Board semi-annually. Policies are in place to regulate large exposures to single counterparties or groups of counterparties.

The Consolidated Entity has a country risk management framework which covers the assessment of country risk and the approval of country risk limits. Where appropriate the country risk may be mitigated or transferred by parent company guarantees, bank letters of credit, or credit insurance.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

Credit quality of financial assets

The table below discloses, by credit rating grades and ECL impairment stage, the gross carrying amount¹ of assets measured at amortised cost or FVOCI and undrawn credit commitments of the Consolidated Entity subject to the impairment requirements of AASB 9 *Financial Instruments*. The credit quality is based on the counterparty's credit rating using the Consolidated Entity's credit rating system and excludes the benefit of collateral and credit enhancements.

	Stage I ² \$m	Stage II ² \$m	Stage III ² \$m	Total \$m
CONSOLIDATED 2025				
Investment grade				
Cash and bank balances	22,174	-	-	22,174
Cash collateralised lending and reverse repurchase agreements	46,732	-	-	46,732
Margin money and settlement assets	17,487	-	-	17,487
Financial investments	16,639	-	-	16,639
Other assets	574	-	-	574
Loan assets	88,226	5,124	-	93,350
Due from other Macquarie Group entities	3,307	-	-	3,307
Undrawn credit commitments	12,842	217	-	13,059
Total investment grade	207,981	5,341	-	213,322
Non-investment grade				
Cash and bank balances	95	-	-	95
Cash collateralised lending and reverse repurchase agreements	4,880	-	-	4,880
Margin money and settlement assets	2,195	7	-	2,202
Financial investments	32	159	-	191
Other assets	1,079	294	-	1,373
Loan assets	67,717	17,377	-	85,094
Due from other Macquarie Group entities	26	-	-	26
Undrawn credit commitments	13,391	368	-	13,759
Total non-investment grade	89,415	18,205	-	107,620
Default				
Margin money and settlement assets	-	-	65	65
Other assets	-	-	33	33
Loan assets	-	-	1,668	1,668
Undrawn credit commitments	-	-	28	28
Total default	-	-	1,794	1,794
Total gross credit risk by ECL stage	297,396	23,546	1,794	322,736

Loan assets under investment grade (\$93,350 million) and non-investment grade (\$85,094 million) includes \$2,461 million past due up to 30 days and \$618 million past due between 31 and 89 days.

¹ The gross exposure of financial assets measured at amortised cost represents the carrying value before the ECL allowance and for financial assets measured at FVOCI represents carrying value before fair value adjustments and ECL allowance. Accordingly, these exposures will not be equal to the amount as presented in the Statements of financial position.

² For definitions of Stage I, II and III, refer to Note 12 *Expected credit losses*. Whilst exposures may have migrated to Stage II, it should not be inferred that exposures classified as Stage II are of lower credit quality than those classified as Stage I.

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

The table below discloses, by credit rating grades and ECL impairment stage, the gross carrying amount¹ of assets measured at amortised cost or FVOCI and undrawn credit commitments of the Company subject to the impairment requirements of AASB 9 *Financial Instruments*. The credit quality is based on the counterparty's credit rating using the Company's credit rating system and excludes the benefit of collateral and credit enhancements.

	Stage I ² \$m	Stage II ² \$m	Stage III ² \$m	Total \$m
COMPANY 2025				
Investment grade				
Cash and bank balances	20,097	-	-	20,097
Cash collateralised lending and reverse repurchase agreements	45,085	-	-	45,085
Margin money and settlement assets	14,249	-	-	14,249
Financial investments	16,555	-	-	16,555
Other assets	478	-	-	478
Loan assets	86,912	5,123	-	92,035
Due from other Macquarie Group entities	2,659	-	-	2,659
Due from subsidiaries	4,069	-	-	4,069
Undrawn credit commitments	14,848	218	-	15,066
Total investment grade	204,952	5,341	-	210,293
Non-investment grade				
Cash and bank balances	3	-	-	3
Cash collateralised lending and reverse repurchase agreements	4,461	-	-	4,461
Margin money and settlement assets	1,694	-	-	1,694
Financial investments	32	159	-	191
Other assets	1,021	294	-	1,315
Loan assets	66,826	17,324	-	84,150
Due from other Macquarie Group entities	20	-	-	20
Undrawn credit commitments	13,197	343	-	13,540
Total non-investment grade	87,254	18,120	-	105,374
Default				
Margin money and settlement assets	-	-	62	62
Other assets	-	-	27	27
Loan assets	-	-	1,624	1,624
Undrawn credit commitments	-	-	28	28
Total default	-	-	1,741	1,741
Total gross credit risk by ECL stage	292,206	23,461	1,741	317,408

Loan assets under investment grade (\$92,036 million) and non-investment grade (\$84,150 million) includes \$2,372 million past due up to 30 days and \$603 million past due between 31 and 89 days.

¹ The gross exposure of financial assets measured at amortised cost represents the carrying value before the ECL allowance and for financial assets measured at FVOCI represents carrying value before fair value adjustments and ECL allowance. Accordingly, these exposures will not be equal to the amount as presented in the Statements of financial position.

² For definitions of Stage I, II and III, refer to Note 12 *Expected credit losses*. Whilst exposures may have migrated to Stage II, it should not be inferred that exposures classified as Stage II are of lower credit quality than those classified as Stage I.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

The table below discloses, by credit rating grades and ECL impairment stage, the gross carrying amount¹ of assets measured at amortised cost or FVOCI and undrawn credit commitments of the Consolidated Entity subject to the impairment requirements of AASB 9 *Financial Instruments*. The credit quality is based on the counterparty's credit rating using the Consolidated Entity's credit rating system and excludes the benefit of collateral and credit enhancements.

	Stage I ² \$m	Stage II ² \$m	Stage III ² \$m	Total \$m
CONSOLIDATED 2024				
Investment grade				
Cash and bank balances	27,898	-	-	27,898
Cash collateralised lending and reverse repurchase agreements	33,792	-	-	33,792
Margin money and settlement assets	14,596	-	-	14,596
Financial investments	18,636	-	-	18,636
Other assets	1,449	-	-	1,449
Loan assets	66,315	1,911	-	68,226
Due from other Macquarie Group entities	540	-	-	540
Undrawn credit commitments	13,365	198	-	13,563
Total investment grade	176,591	2,109	-	178,700
Non-investment grade				
Cash and bank balances	158	-	-	158
Cash collateralised lending and reverse repurchase agreements	3,939	-	-	3,939
Margin money and settlement assets	1,759	-	-	1,759
Financial investments	41	-	-	41
Other assets	1,125	156	-	1,281
Loan assets	69,065	17,286	-	86,351
Due from other Macquarie Group entities	22	-	-	22
Undrawn credit commitments	11,366	133	-	11,499
Total non-investment grade	87,475	17,575	-	105,050
Default				
Cash collateralised lending and reverse repurchase agreements	-	-	72	72
Margin money and settlement assets	-	-	37	37
Other assets	-	-	75	75
Loan assets	-	-	1,504	1,504
Undrawn credit commitments	-	-	95	95
Total default	-	-	1,783	1,783
Total gross credit risk by ECL stage	264,066	19,684	1,783	285,533

Loan assets under investment grade (\$68,226 million) and non-investment grade (\$86,351 million) includes \$1,784 million past due up to 30 days and \$425 million past due between 31 and 89 days.

¹ The gross exposure of financial assets measured at amortised cost represents the carrying value before the ECL allowance and for financial assets measured at FVOCI represents carrying value before fair value adjustments and ECL allowance. Accordingly, these exposures will not be equal to the amount as presented in the Statements of financial position.

² For definitions of Stage I, II and III, refer to Note 12 *Expected credit losses*. Whilst exposures may have migrated to Stage II, it should not be inferred that exposures classified as Stage II are of lower credit quality than those classified as Stage I.

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

The table below discloses, by credit rating grades and ECL impairment stage, the gross carrying amount¹ of assets measured at amortised cost or FVOCI and undrawn credit commitments of company subject to impairment requirements of AASB 9 *Financial Instruments*. The credit quality is based on the counterparty's credit rating using the Company's credit rating system and excludes the benefit of collateral and credit enhancements.

	Stage I ² \$m	Stage II ² \$m	Stage III ² \$m	Total \$m
COMPANY 2024				
Investment grade				
Cash and bank balances	22,789	-	-	22,789
Cash collateralised lending and reverse repurchase agreements	32,391	-	-	32,391
Margin money and settlement assets	12,258	-	-	12,258
Financial investments	18,331	-	-	18,331
Other assets	1,157	-	-	1,157
Loan assets	65,281	1,911	-	67,192
Due from other Macquarie Group entities	295	-	-	295
Due from subsidiaries	5,770	-	-	5,770
Undrawn credit commitments	13,568	194	-	13,762
Total investment grade	171,840	2,105	-	173,945
Non-investment grade				
Cash and bank balances	10	-	-	10
Cash collateralised lending and reverse repurchase agreements	3,523	-	-	3,523
Margin money and settlement assets	1,500	-	-	1,500
Financial investments	41	-	-	41
Other assets	521	154	-	675
Loan assets	68,356	17,126	-	85,482
Due from other Macquarie Group entities	17	-	-	17
Undrawn credit commitments	10,806	130	-	10,936
Total non-investment grade	84,774	17,410	-	102,184
Default				
Cash collateralised lending and reverse repurchase agreements	-	-	72	72
Margin money and settlement assets	-	-	37	37
Other assets	-	-	51	51
Loan assets	-	-	1,407	1,407
Undrawn credit commitments	-	-	95	95
Total default	-	-	1,662	1,662
Total gross credit risk by ECL stage	256,614	19,515	1,662	277,791

Loan assets under investment grade (\$67,192 million) and non-investment grade (\$85,482 million) includes \$1,769 million past due up to 30 days and \$421 million past due between 31 and 89 days.

¹ The gross exposure of financial assets measured at amortised cost represents the carrying value before the ECL allowance and for financial assets measured at FVOCI represents carrying value before fair value adjustments and ECL allowance. Accordingly, these exposures will not be equal to the amount as presented in the Statements of financial position.

² For definitions of Stage I, II and III, refer to Note 12 *Expected credit losses*. Whilst exposures may have migrated to Stage II, it should not be inferred that exposures classified as Stage II are of lower credit quality than those classified as Stage I.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

Credit risk concentration

The table below details the concentration of credit risk by significant geographical location and counterparty type of the Consolidated Entity's financial assets and undrawn credit commitments. The geographical location is determined by the country of risk to which the Consolidated Entity is most exposed when assessing the counterparty to meet its obligations as they fall due, however, where the exposures are subject to multiple countries of risk, geographical allocation has been determined based on counterparty's country of domicile. The counterparty type is based on the Standard Economic Sector Classifications of Australia (SESCA) used by the Australian Bureau of Statistics. Government represents Australian and foreign governments, including government departments and agencies. Financial institutions represent central banks and central borrowing authorities, Australian and foreign banks, registered financial corporations, insurance corporations, funds, financial intermediaries, and auxiliaries. Retail and others represent public and private trading enterprises and retail banking customers.

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments	Financial institutions	Retail and other	Total	Governments	Financial institutions	Retail and other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
CONSOLIDATED 2025								
Australia and New Zealand								
Cash and bank balances	-	14,787	-	14,787	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	7,200	620	7,820	-	422	-	422
Trading assets	-	-	-	-	946	307	6	1,259
Other assets	-	108	801	909	-	99	-	99
Margin money and settlement assets	5	1,941	34	1,980	-	-	-	-
Derivative assets	-	-	-	-	10	1,284	1,806	3,100
Financial investments	1,469	13,384	128	14,981	-	-	-	-
Loan assets ¹	30	2,009	161,602	163,641	-	24	46	70
Due from other Macquarie Group entities	-	2,193	9	2,202	-	2,555	1	2,556
Undrawn credit commitments	37	836	22,116	22,989	-	-	-	-
Total Australia and New Zealand	1,541	42,458	185,310	229,309	956	4,691	1,859	7,506
Asia								
Cash and bank balances	-	821	-	821	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	5,770	17	5,787	-	1,238	722	1,960
Trading assets	-	-	-	-	-	-	155	155
Other assets	1	-	150	151	-	-	300	300
Margin money and settlement assets	-	968	207	1,175	-	-	-	-
Derivative assets	-	-	-	-	56	1,438	616	2,110
Financial investments	-	380	-	380	-	105	5	110
Loan assets	-	179	1,131	1,310	-	-	-	-
Due from other Macquarie Group entities	-	237	16	253	-	-	-	-
Undrawn credit commitments	-	4	95	99	-	-	-	-
Total Asia	1	8,359	1,616	9,976	56	2,781	1,798	4,635

¹ Loan assets in the Australia and New Zealand includes home loans of \$141,549 million, corporate, commercial and other lending of \$19,089 million and asset financing of \$3,078 million.

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments	Financial institutions	Retail and other	Total	Governments	Financial institutions	Retail and other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
CONSOLIDATED 2025								
Europe, Middle East and Africa								
Cash and bank balances	-	2,529	-	2,529	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	1,449	16,779	142	18,370	-	1,944	-	1,944
Trading assets	-	-	-	-	61	37	2,104	2,202
Other assets	-	6	707	713	-	4	1,104	1,108
Margin money and settlement assets	5	7,720	3,884	11,609	-	-	-	-
Derivative assets	-	-	-	-	-	5,881	3,390	9,271
Financial investments	256	463	8	727	-	-	-	-
Loan assets	-	831	5,084	5,915	-	-	374	374
Due from other Macquarie Group entities	-	143	295	438	-	1	126	127
Undrawn credit commitments	17	291	1,060	1,368	-	-	-	-
Total Europe, Middle East and Africa	1,727	28,762	11,180	41,669	61	7,867	7,098	15,026
Americas								
Cash and bank balances	-	4,132	-	4,132	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	19,467	168	19,635	298	3,931	-	4,229
Trading assets	-	-	-	-	3,371	6	695	4,072
Other assets	1	48	158	207	-	-	2,059	2,059
Margin money and settlement assets	37	4,227	726	4,990	-	-	353	353
Derivative assets	-	-	-	-	152	7,231	2,072	9,455
Financial investments	-	637	105	742	-	-	-	-
Loan assets	12	5,949	3,285	9,246	-	298	26	324
Due from other Macquarie Group entities	-	439	1	440	-	1	-	1
Undrawn credit commitments	40	561	1,789	2,390	-	-	-	-
Total Americas	90	35,460	6,232	41,782	3,821	11,467	5,205	20,493
Total gross credit risk¹	3,359	115,039	204,338	322,736	4,894	26,806	15,960	47,660

¹ The gross exposure for financial assets measured at amortised cost represents the amortised cost before the ECL allowance and for financial assets measured at FVOCI represents carrying value before fair value adjustments. Accordingly, these exposure values will not equal the amount presented in the Statement of financial position.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

Credit risk concentration

The table below details the concentration of credit risk by significant geographical location and counterparty type of the Company's financial assets and undrawn credit commitments. The geographical location is determined by the country of risk to which the Company is most exposed when assessing the counterparty to meet its obligations as they fall due, however, where the exposures are subject to multiple countries of risk, geographical allocation has been determined based on counterparty's country of domicile. The counterparty type is based on the Standard Economic Sector Classifications of Australia (SESCA) used by the Australian Bureau of Statistics. Government represents Australian and foreign governments, including government departments and agencies. Financial institutions represent central banks and central borrowing authorities, Australian and foreign banks, registered financial corporations, insurance corporations, funds, financial intermediaries, and auxiliaries. Retail and others represent public and private trading enterprises and retail banking customers.

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments	Financial institutions	Retail and other	Total	Governments	Financial institutions	Retail and other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
COMPANY 2025								
Australia and New Zealand								
Cash and bank balances	-	14,777	-	14,777	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	7,200	56	7,256	-	421	-	421
Trading assets	-	-	-	-	946	307	6	1,259
Other assets	-	73	786	859	-	98	-	98
Margin money and settlement assets	5	1,940	35	1,980	-	-	-	-
Derivative assets	-	-	-	-	10	1,134	1,805	2,949
Financial investments	1,469	13,385	128	14,982	-	-	-	-
Loan assets ¹	-	2,010	161,599	163,609	-	28	14	42
Due from other Macquarie Group entities	-	2,166	-	2,166	-	2,555	1	2,556
Due from subsidiaries	-	3,241	-	3,241	-	253	-	253
Undrawn credit commitments	37	838	22,112	22,987	-	-	-	-
Total Australia and New Zealand	1,511	45,630	184,716	231,857	956	4,796	1,826	7,578
Asia								
Cash and bank balances	-	452	-	452	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	5,770	17	5,787	-	1,238	722	1,960
Trading assets	-	-	-	-	-	-	161	161
Other assets	1	-	137	138	-	-	300	300
Margin money and settlement assets	-	903	166	1,069	-	-	-	-
Derivative assets	-	-	-	-	56	1,437	574	2,067
Financial investments	-	380	-	380	-	104	5	109
Loan assets	-	179	797	976	-	-	-	-
Due from other Macquarie Group entities	-	147	6	153	-	-	-	-
Due from subsidiaries	-	68	20	88	-	1	8	9
Undrawn credit commitments	-	1	87	88	-	-	-	-
Total Asia	1	7,900	1,230	9,131	56	2,780	1,770	4,606

¹ Loan assets in the Australia and New Zealand includes home loans of \$141,549 million Corporate, commercial and other lending of \$19,057 million and asset financing of \$3,048 million.

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments	Financial institutions	Retail and other	Total	Governments	Financial institutions	Retail and other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
COMPANY 2025								
Europe, Middle East and Africa								
Cash and bank balances	-	1,298	-	1,298	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	1,449	15,697	99	17,245	-	1,442	1	1,443
Trading assets	-	-	-	-	61	37	1,800	1,898
Other assets	-	5	657	662	-	-	338	338
Margin money and settlement assets	5	6,719	3,834	10,558	-	-	-	-
Derivative assets	-	-	-	-	-	5,681	2,332	8,013
Financial investments	171	463	8	642	-	-	-	-
Loan assets	-	712	3,802	4,514	-	-	258	258
Due from other Macquarie Group entities	-	136	219	355	-	-	126	126
Due from subsidiaries	-	250	2	252	-	1,212	-	1,212
Undrawn credit commitments	-	927	861	1,788	-	-	-	-
Total Europe, Middle East and Africa	1,625	26,207	9,482	37,314	61	8,372	4,855	13,288
Americas								
Cash and bank balances	-	3,573	-	3,573	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	19,090	168	19,258	-	3,973	-	3,973
Trading assets	-	-	-	-	3,338	6	356	3,700
Other assets	-	49	112	161	-	1	1,204	1,205
Margin money and settlement assets	12	2,308	78	2,398	-	-	-	-
Derivative assets	-	-	-	-	8	6,670	1,516	8,194
Financial investments	-	637	105	742	-	-	-	-
Loan assets	-	5,802	2,908	8,710	-	298	21	319
Due from other Macquarie Group entities	-	5	-	5	-	-	-	-
Due from subsidiaries	-	488	-	488	-	591	-	591
Undrawn credit commitments	40	2,012	1,719	3,771	-	-	-	-
Total Americas	52	33,964	5,090	39,106	3,346	11,539	3,097	17,982
Total gross credit risk¹	3,189	113,701	200,518	317,408	4,419	27,487	11,548	43,454

¹ The gross exposure for financial assets measured at amortised cost represents the amortised cost before the ECL allowance and for financial assets measured at FVOCI represents carrying value before fair value adjustments. Accordingly, these exposure values will not equal the amount presented in the Statement of financial position.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

Credit risk concentration

The table below details the concentration of credit risk by significant geographical location and counterparty type of the Consolidated Entity's financial assets and undrawn credit commitments. The geographical location is determined by the country of risk to which the Consolidated Entity is most exposed when assessing the counterparty to meet its obligations as they fall due, however, where the exposures are subject to multiple countries of risk, geographical allocation has been determined based on counterparty's country of domicile. The counterparty type is based on the Standard Economic Sector Classifications of Australia (SESCA) used by the Australian Bureau of Statistics. Government represents Australian and foreign governments, including government departments and agencies. Financial institutions represent central banks and central borrowing authorities, Australian and foreign banks, registered financial corporations, insurance corporations, funds, financial intermediaries, and auxiliaries. Retail and others represent public and private trading enterprises and retail banking customers.

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments	Financial institutions	Retail and other	Total	Governments	Financial institutions	Retail and other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
CONSOLIDATED 2024								
Australia and New Zealand								
Cash and bank balances	-	18,827	-	18,827	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	7,846	-	7,846	-	1,234	-	1,234
Trading assets	-	-	-	-	-	157	-	157
Other assets	8	105	685	798	-	54	-	54
Margin money and settlement assets	72	2,220	3	2,295	-	-	-	-
Derivative assets	-	-	-	-	-	1,124	1,414	2,538
Financial investments	305	14,646	66	15,017	-	-	4	4
Loan assets ¹	33	2,982	141,998	145,013	-	33	48	81
Due from other Macquarie Group entities	-	214	8	222	-	3,529	-	3,529
Loans to associates and joint ventures	-	-	-	-	-	-	-	-
Undrawn credit commitments	37	928	20,072	21,037	-	-	-	-
Total Australia and New Zealand	455	47,768	162,832	211,055	-	6,131	1,466	7,597
Asia								
Cash and bank balances	-	1,646	-	1,646	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	5,044	-	5,044	-	2,232	-	2,232
Trading assets	-	-	-	-	-	307	147	454
Other assets	1	5	48	54	-	-	911	911
Margin money and settlement assets	108	1,202	-	1,310	-	-	-	-
Derivative assets	-	-	-	-	35	1,003	529	1,567
Financial investments	-	347	-	347	-	88	5	93
Loan assets	-	-	585	585	-	-	-	-
Due from other Macquarie Group entities	-	155	7	162	-	-	-	-
Undrawn credit commitments	-	97	265	362	-	-	-	-
Total Asia	109	8,496	905	9,510	35	3,630	1,592	5,257

¹ Loan assets in the Australia and New Zealand includes home loans of \$119,604 million, asset financing of \$6,674 million and corporate, commercial and other lending of \$18,736 million.

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments	Financial institutions	Retail and other	Total	Governments	Financial institutions	Retail and other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
								CONSOLIDATED 2024
Europe, Middle East and Africa								
Cash and bank balances	-	4,214	-	4,214	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	16,696	-	16,696	-	2,945	-	2,945
Trading assets	-	-	-	-	-	44	1,765	1,809
Other assets	84	9	1,417	1,510	-	-	1,471	1,471
Margin money and settlement assets	3	10,648	-	10,651	-	-	-	-
Derivative assets	-	-	-	-	-	4,575	6,579	11,154
Financial investments	-	583	-	583	-	-	-	-
Loan assets	-	1,365	2,538	3,903	-	-	203	203
Due from other Macquarie Group entities	-	42	23	65	-	-	-	-
Undrawn credit commitments	-	364	938	1,302	-	-	-	-
Total Europe, Middle East and Africa	87	33,921	4,916	38,924	-	7,564	10,018	17,582
Americas								
Cash and bank balances	-	3,369	-	3,369	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	8,217	-	8,217	-	5,361	-	5,361
Trading assets	-	-	-	-	2,168	4	1,243	3,415
Other assets	1	24	418	443	-	-	1,444	1,444
Margin money and settlement assets	26	2,107	3	2,136	-	-	275	275
Derivative assets	-	-	-	-	115	6,319	2,073	8,507
Financial investments	305	2,425	-	2,730	-	-	17	17
Loan assets	13	4,052	2,515	6,580	-	114	52	166
Due from other Macquarie Group entities	-	104	9	113	-	14	-	14
Undrawn credit commitments	54	72	2,330	2,456	-	-	-	-
Total Americas	399	20,370	5,275	26,044	2,283	11,812	5,104	19,199
Total gross credit risk¹	1,050	110,555	173,928	285,533	2,318	29,137	18,180	49,634

¹ The gross exposure of financial assets measured at amortised cost represents the amortised cost before the ECL allowance and the gross exposure of financial assets measured at FVOCI represents carrying value before fair value adjustments and ECL allowance. Accordingly, these exposure values will not equal the amount presented in the Statements of financial position.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

Credit risk concentration

The table below details the concentration of credit risk by significant geographical location and counterparty type of the Company's financial assets and undrawn credit commitments. The geographical location is determined by the country of risk to which the Company is most exposed when assessing the counterparty to meet its obligations as they fall due, however, where the exposures are subject to multiple countries of risk, geographical allocation has been determined based on counterparty's country of domicile. The counterparty type is based on the Standard Economic Sector Classifications of Australia (SESCA) used by the Australian Bureau of Statistics. Government represents Australian and foreign governments, including government departments and agencies. Financial institutions represent central banks and central borrowing authorities, Australian and foreign banks, registered financial corporations, insurance corporations, funds, financial intermediaries, and auxiliaries. Retail and others represent public and private trading enterprises and retail banking customers.

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments	Financial institutions	Retail and other	Total	Governments	Financial institutions	Retail and other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
COMPANY 2024								
Australia and New Zealand								
Cash and bank balances	-	18,687	-	18,687	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	7,466	-	7,466	-	1,234	-	1,234
Trading assets	-	-	-	-	-	155	-	155
Other assets	2	72	653	728	-	54	-	54
Margin money and settlement assets	72	2,199	1	2,272	-	-	-	-
Derivative assets	-	-	-	-	-	1,111	1,350	2,461
Financial investments	305	14,646	66	15,017	-	-	4	4
Loan assets ¹	-	2,958	141,892	144,850	-	38	12	50
Due from other Macquarie Group entities	-	195	-	195	-	3,530	-	3,530
Due from subsidiaries	-	2,753	-	2,753	-	205	-	205
Undrawn credit commitments	37	925	19,173	20,135	-	-	-	-
Total Australia and New Zealand	416	49,901	161,785	212,103	-	6,327	1,366	7,693
Asia								
Cash and bank balances	-	1,292	-	1,292	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	5,044	-	5,044	-	2,232	-	2,232
Trading assets	-	-	-	-	-	228	147	375
Other assets	1	5	41	47	-	-	911	911
Margin money and settlement assets	108	1,131	-	1,239	-	-	-	-
Derivative assets	-	-	-	-	35	1,003	502	1,540
Financial investments	-	347	-	347	-	88	5	93
Loan assets	-	-	177	177	-	-	-	-
Due from other Macquarie Group entities	-	60	-	60	-	-	-	-
Due from subsidiaries	-	109	10	119	-	-	-	-
Undrawn credit commitments	-	93	264	357	-	-	-	-
Total Asia	109	8,081	492	8,682	35	3,551	1,565	5,151

¹ Loan assets in the Australia and New Zealand includes home loans of \$119,604 million, asset financing of \$6,548 million and corporate, commercial and other lending of \$18,699 million.

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

	GROSS EXPOSURE FOR FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB9			
	Governments	Financial institutions	Retail and other	Total	Governments	Financial institutions	Retail and other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	COMPANY 2024							
Europe, Middle East and Africa								
Cash and bank balances	-	701	-	701	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	15,675	-	15,675	-	2,824	1	2,825
Trading assets	-	-	-	-	-	44	1,765	1,809
Other assets	-	7	695	702	-	1	343	344
Margin money and settlement assets	3	8,083	-	8,086	-	-	-	-
Derivative assets	-	-	-	-	-	4,412	3,819	8,231
Financial investments	-	583	-	583	-	-	-	-
Loan assets	-	1,334	1,758	3,092	-	-	182	182
Due from other Macquarie Group entities	-	27	8	35	-	-	-	-
Due from subsidiaries	-	2,215	296	2,511	-	2,228	533	2,761
Undrawn credit commitments	662	375	649	1,686	-	-	-	-
Total Europe, Middle East and Africa	665	29,000	3,406	33,071	-	9,509	6,643	16,152
Americas								
Cash and bank balances	-	2,119	-	2,119	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	7,801	-	7,801	-	5,361	-	5,361
Trading assets	-	-	-	-	2,167	4	820	2,991
Other assets	-	24	382	406	-	-	835	835
Margin money and settlement assets	-	2,198	-	2,198	-	-	-	-
Derivative assets	-	-	-	-	12	6,007	1,315	7,334
Financial investments	-	2,425	-	2,425	-	-	-	-
Loan assets	-	3,963	1,999	5,962	-	113	-	113
Due from other Macquarie Group entities	-	20	2	22	-	1,301	-	1,301
Due from subsidiaries	-	386	1	387	-	-	-	-
Undrawn credit commitments	56	520	2,039	2,615	-	-	-	-
Total Americas	56	19,456	4,423	23,935	2,179	12,786	2,970	17,935
Total gross credit risk¹	1,246	106,438	170,106	277,791	2,214	32,173	12,544	46,931

¹ The gross exposure of financial assets measured at amortised cost represents the amortised cost before the ECL allowance and the gross exposure of financial assets measured at FVOCI represents carrying value before fair value adjustments and ECL allowance. Accordingly, these exposure values will not equal the amount presented in the Statements of financial position.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

Maximum exposure to credit risk

For on-balance sheet instruments, the maximum exposure to credit risk is the carrying amount reported on the balance sheet (refer to Note 34 *Measurement categories of financial instruments*). For off balance sheet instruments, the maximum exposure to credit risk is a function of the contractual notional amount except for certain usage-based guarantees in which case the maximum exposure is determined with respect to the fair value of the underlying exposure and is disclosed in Note 12 *Expected credit losses*.

Collateral and credit enhancements held

Cash collateralised lending and reverse repurchase agreements

The Consolidated Entity enters into securities and commodities borrowing and reverse repurchase transactions with counterparties which require lodgement of collateral.

These arrangements include:

- securities and commodities borrowed in return for cash, for which the fair value of the securities and commodities borrowed is equal to or less than the cash deposited with the counterparty
- reverse repurchase agreements (collateralised financing arrangements) for which the fair value of the securities and commodities received as collateral is generally in excess of the principal amount
- securities received as collateral in return for the transfer of other securities
- securities borrowed on an unsecured basis in return for a fee.

The non-cash collateral received is not recognised by the Consolidated Entity in the Statements of financial position, as the risks and rewards of ownership remain with the counterparty. The Consolidated Entity is permitted to sell or repledge the securities and commodities received. In the absence of default by the counterparty, the Consolidated Entity has an obligation to return the non-cash collateral received to counterparty.

For securities and commodities borrowed in return for cash and reverse repurchase arrangements, the fair value of non-cash collateral received by the Consolidated Entity is \$61,829 million (2024: \$51,226 million) and the Company is \$59,021 million (2024: \$49,420 million).

For securities borrowed in return for other securities, the fair value of the securities received by the Consolidated Entity is \$16,719 million (2024: \$19,012 million) and by the Company is \$16,716 million (2024: \$19,012 million).

For securities borrowed on an unsecured basis, the fair value of the securities received by the Consolidated Entity is \$7,063 million (2024: \$8,449 million) and the Company is \$3,604 million (2024: \$5,148 million).

Refer to Note 37 *Pledged assets and transfer of financial assets* for securities and commodity which have been repledged.

The fair value attributed to non-cash collateral held is judgemental and measured with reference to quoted prices in active markets where available (for example, listed securities). If quoted prices in active markets are not available, the fair value are estimated using pricing models or other recognised valuation techniques that maximise the use of quoted prices and observable market inputs. The fair value of these securities and commodities were determined when last assessed and are determined periodically.

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

Loan assets

Home loans

Macquarie purchases risk protection for its home loans portfolio consistent with the risk appetite. Macquarie has diversified its risk protection coverage to a global panel of reinsurers with diverse lines of business coverage and ratings ranging from AA+ to A- from external rating agencies. The length of risk protection cover is up to 10 years from the year of origination with the type of cover including excess of loss and quota share.

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

	Consolidated		Company	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
<= 25%	4,922	4,161	4,922	4,161
>25% to 50%	29,452	25,675	29,452	25,675
>50% to 70%	55,937	48,532	55,937	48,532
>70% to 80%	48,206	38,820	48,206	38,820
>80% to 90%	4,134	2,938	4,134	2,938
>90% to 100%	310	271	310	271
Partly collateralised	25	18	25	18
Total home loans	142,986	120,415	142,986	120,415

Corporate, commercial and other lending

Collateral held against corporate, commercial and other lending consists of secured positions over assets of the counterparty, often in the form of corporate assets. For the Consolidated Entity, of the term lending of \$31,468 million (2024: \$28,612 million), the credit exposure after considering the estimated value of collateral and credit enhancements is \$2,438 million (2024: \$2,436 million). For the Company, of the term lending of \$29,824 million (2024: \$27,544 million), the credit exposure after the estimated value of collateral and credit enhancements is \$1,958 million (2024: \$2,125 million).

Asset financing

The Consolidated Entity leases assets and provides asset-related financing, to corporate and retail clients. Titles to the underlying assets are held by the Consolidated Entity as collateral. Of the asset finance portfolio of \$6,932 million (2024: \$7,709 million), the credit exposure after considering the depreciated value of collateral is \$1,650 million (2024: \$2,659 million). For the Company, of the asset finance portfolio of \$6,184 million (2024: \$6,711 million), the credit exposure after considering the depreciated value of collateral is \$1,298 million (2024: \$2,074 million).

Derivative instruments

Derivatives may be traded on an exchange (exchange traded) or they may be privately negotiated contracts, which are referred to as Over-the-Counter (OTC) derivatives. The Consolidated Entity's and the Company's OTC derivatives are cleared and settled either through central clearing counterparties (OTC-cleared), or bilateral contracts between two counterparties.

The Consolidated Entity's approach to financial risk management includes entering into margining and collateralisation arrangements and enforceable master netting arrangements (MNA) with counterparties. The MNAs allow for net settlement with counterparties in the event of default or other pre-determined events, such that their potential effects on the Consolidated Entity's financial position in that circumstance is to settle these contracts as one arrangement.

The Consolidated Entity receives both cash and non-cash collateral in relation to margining arrangements. Refer Note 36 *Offsetting financial assets and financial liabilities* for impact of master netting arrangements and margins and other financial collateral held against the positions as at balance date.

Refer Note 37 *Pledged assets and transfers of financial assets* for non-cash collateral received and repledged as part of derivative margining arrangements.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.1 Credit risk continued

Financial investments

Debt securities held by the Consolidated Entity carrying a credit risk are primarily in nature of bonds, NCD, floating rate notes (FRN), commercial paper and other debt securities for liquidity management purposes and other securities for short-term gains.

Settlement assets

Security and commodity settlements of \$1,890 million (2024: \$2,527 million) and \$1,816 million (2024: \$1,389 million) in the Consolidated Entity and \$1,905 million (2024: \$2,477 million) and \$805 million (2024: \$620 million) in the Company, presented in Note 7 *Margin money and settlement assets* represent amounts owed by the exchange (or a client) for equities, commodities and other securities sold. These assets are secured with the underlying equity securities, commodities or cash held by the Consolidated Entity and the Company until the date of settlement. The period between trade and settlement date varies as per regional regulatory and business norms.

Other financial assets

Commodity financing receivables under other financial assets are typically either collateralised with the underlying commodity held by the Consolidated Entity until the date of settlement or short-term receivables with standard credit terms which would be backed by a bank guarantee where required to remain within credit limits.

Due from subsidiaries and other Macquarie Group entities and guarantees received

The Consolidated Entity's and Company's certain exposures with its subsidiaries, other Macquarie Group entities and guarantees received are based on standard terms and are fully or partially collateralised. Refer to Note 27 *Related party information* and Note 36 *Offsetting of financial assets and financial liabilities* for details.

Credit commitments

Undrawn facilities and lending commitments of \$26,846 million (2024: \$25,157 million) in the Consolidated Entity and \$28,634 million (2024: \$24,793 million) in the Company are secured through collateral and credit enhancement. The remaining credit exposure after considering the estimated value of collateral is \$5,687 million (2024: \$3,828 million) in the Consolidated Entity and \$5,655 million (2024: \$4,057 million) in the Company.

Additional collateral

Apart from the collateral detail disclosed above, the Consolidated Entity and the Company also holds other types of collateral, such as unsupported guarantees. While such mitigants have value as a credit risk mitigant often providing rights in insolvency, their assignable values are uncertain and therefore are assigned no value for disclosure purposes.

For all collateral, in the event of default realised collateral values may be lower than the value of collateral as at the reporting date.

Repossessed collateral

In the event of a customer default, the Consolidated Entity may either take possession of the underlying collateral held as security and/or exercise its right to dispose of the customer's asset. At the reporting date the Consolidated Entity did not have any material amounts of such collateral recognised in its Statements of financial position.

Note 33.2 Liquidity risk

Governance and oversight

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.

Liquidity management is performed centrally by Group Treasury, with oversight from the MBL Asset and Liability Committee (ALCO), the MBL Board and RMG. Macquarie Bank's liquidity policy is approved by the MBL Board after endorsement by the ALCO and liquidity reporting is provided to the Board on a regular basis. The MBL ALCO members include the MGL CEO, MBL CEO, CFO, CRO, COO, Group General Counsel, Head of Group Treasury and relevant Operating Group Heads.

RMG provides independent oversight of liquidity risk management, including ownership of liquidity policies and key limits and approval of material liquidity scenario assumptions.

Liquidity policy and risk appetite

The *MBL Liquidity Policy* is designed so that the Bank Group maintains sufficient liquidity to meet its obligations as they fall due.

The *MBL Liquidity Policy* outlines the standalone framework for the Bank Group and its principles are consistent with the *MGL Liquidity Policy*.

Macquarie Bank's liquidity risk appetite is intended to ensure that Macquarie Bank is able to meet all of its liquidity obligations during a period of liquidity stress: a twelve month period with constrained access to funding markets while preserving the capabilities of Macquarie Bank's franchise businesses. MBL is an authorised deposit-taking institution and is funded mainly with deposits, long-term liabilities and capital.

Note 33

Financial risk management continued

Note 33.2 Liquidity risk continued

Liquidity contingency plan

Group Treasury maintains a *Liquidity Contingency Plan* for MBL, which outlines how a liquidity crisis would be managed. The plan defines roles and responsibilities and actions to be taken in a liquidity event, including identifying key information requirements and appropriate communication plans with both internal and external parties.

Specifically, the plan details:

- factors that may constitute a crisis;
- the officers responsible for invoking the plan;
- a committee of senior executives responsible for managing a crisis;
- the information required to effectively manage a crisis;
- a communications strategy;
- a high level checklist of possible actions to conserve or raise additional liquidity; and
- contact lists to facilitate prompt communication with all key internal and external stakeholders.

In addition, Macquarie Bank monitors a range of early warning indicators on a daily basis that might assist in identifying emerging risks in Macquarie Bank's liquidity position. These indicators are reviewed by Management and are used to inform any decisions regarding invoking the plan.

The *Liquidity Contingency Plan* is subject to regular review by both Group Treasury and RMG. It is submitted annually to the MBL ALCO and MBL Board for approval.

Macquarie Bank is a global financial institution, with branches and subsidiaries in a variety of countries. Regulations in certain countries may require some branches or subsidiaries to have specific local contingency plans. Where that is the case, the *Liquidity Contingency Plan* contains either a supplement or reference to a separate document providing the specific information required for those branches or subsidiaries.

Funding strategy

Macquarie Bank prepares a centralised *Funding Strategy* for MBL on an annual basis and monitors progress against the strategy throughout the year.

The Funding Strategy aims to:

- maintain Macquarie Bank's diversity of funding sources across a range of tenors, currencies and products; and
- ensure ongoing compliance with all liquidity requirements and facilitate forecast asset growth.

The *Funding Strategy* is reviewed by the MBL ALCO and approved by the MBL Board.

Scenario analysis

Scenario analysis is central to Macquarie Bank's liquidity risk management framework. In addition to regulatory defined scenarios, Group Treasury models additional liquidity scenarios covering both market-wide and Macquarie Bank name-specific crises.

These scenarios use a range of assumptions, which Macquarie Bank intends to be conservative, regarding the level of access to capital markets, deposit outflows, contingent funding requirements and asset sales.

As an example, one internal scenario projects the expected cash and liquid asset position during a combined market-wide and Macquarie Bank name-specific crisis over a twelve month time frame. This scenario assumes no access to wholesale funding markets, a significant loss of deposits and contingent funding outflows resulting from undrawn commitments, market moves impacting derivatives and other margined positions combined with a multiple notch credit rating downgrade. Macquarie Bank's cash and liquid asset portfolio must exceed the minimum requirement as calculated in this scenario at all times.

Liquid asset holdings

Group Treasury centrally maintains a portfolio of highly liquid unencumbered assets which are intended to ensure adequate liquidity is available under a range of market conditions. The minimum level of cash and liquid assets is calculated with reference to internal scenario analysis and regulatory requirements.

The cash and liquid asset portfolio contains only unencumbered assets that can be relied on to maintain their liquidity in a crisis scenario. Specifically, cash and liquid assets held to meet minimum internal and regulatory requirements must be cash balances (including central bank reserves and overnight lending to financial institutions), qualifying High-Quality Liquid Assets and other Reserve Bank of Australia (RBA) repo-eligible securities. Composition constraints are also applied to ensure appropriate diversity and quality of the assets in the portfolio. The cash and liquid asset portfolio is held in a range of currencies consistent with the distribution of liquidity needs by currency, allowing for an acceptable level of currency mismatches.

Funds transfer pricing

An internal funds transfer pricing framework is in place that has been designed to produce appropriate incentives for business decision-making by reflecting the funding costs arising from business actions and the separate funding tasks and liquidity requirements of the Bank Group. Under this framework, each business is allocated the appropriate cost of the funding required to support its products and business lines, recognising the actual and contingent funding-related exposures their activities create. The Operating Groups are assumed to be fully debt funded for the purposes of internal funding charges.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.2 Liquidity risk continued

Contractual undiscounted cash flows

The following tables summarise the maturity profile of the Consolidated Entity's financial liabilities as at 31 March based on a contractual undiscounted repayment basis and hence would vary from the carrying value as reported in the Statements of financial position at the balance date. Repayments subject to notice are treated as if notice were given immediately. This does not reflect the behaviour of the expected cash flows as indicated by the Consolidated Entity's deposit retention history since the Consolidated Entity expects that many customers will not request repayment on the earliest date the Consolidated Entity could be required to pay.

	Statements of financial position carrying value	0 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	\$m	\$m	\$m	\$m	\$m	\$m
CONSOLIDATED 2025						
Deposits ¹	177,671	169,603	7,862	484	-	177,949
Cash collateralised borrowing and repurchase agreements	4,692	1,551	3,235	-	-	4,786
Trading liabilities ²	5,753	5,771	-	-	-	5,771
Margin money and settlement liabilities	23,610	23,618	-	-	-	23,618
Derivative liabilities (trading) ²	22,380	22,380	-	-	-	22,380
Derivative liabilities (hedge accounting relationships) ³	804	-	-	-	-	-
Contractual amounts payable		442	2,023	2,108	121	4,694
Contractual amounts receivable		(306)	(1,834)	(1,617)	(79)	(3,836)
Other liabilities	5,830	3,324	1,620	702	381	6,027
Issued debt securities and other borrowings ⁴	85,804	16,923	42,378	27,059	4,377	90,737
Due to other Macquarie Group entities	8,923	5,936	-	2,987	-	8,923
Loan capital ⁵	12,540	2,093	1,143	7,519	4,822	15,577
Total liabilities⁶	348,007	251,335	56,427	39,242	9,622	356,626
Total contingent liabilities and commitments⁷		27,402	123	—	—	27,525
Total contractual undiscounted cash flows		278,737	56,550	39,242	9,622	384,151

¹ Includes deposits that are contractually at call. These deposits provide a stable source of long-term funding.

² Derivative liabilities (trading) and trading liabilities are included in the '0 to 3 months' at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, as they are frequently traded.

³ Where multiple derivatives are combined in order to form a single hedge instrument designated in a hedge accounting relationship, each derivative is considered independently for the purposes of assessing liquidity risk and for the disclosure's requirements.

⁴ Includes \$10,749 million payables to SE note holders which is disclosed on the basis of expected maturity of the notes which are dependent on the repayment maturity of the underlying loans that the SE holds.

⁵ Includes securities with conditional repayment obligations. The cash outflow on the principal component on these securities is disclosed using the earliest optional exchange dates and the cash outflow of the interest component is disclosed using coupon dates instead of the contractual maturity. For contractual maturity of these securities refer to Note 23 *Loan capital*, further these instruments may be converted into ordinary shares on the occurrence of an other exchange event, and this may impact their maturity profile.

⁶ The Consolidated Entity and the Company have not had any defaults of principal, interest or other breaches with respect to its funding sources during the financial years reported.

⁷ Includes undrawn credit commitments and performance related contingencies in 0 to 3 months maturity band to reflect their earliest possible maturity. Comparative information has been restated to conform to presentation in the current period. Cash flows on contingent liabilities and commitments are dependent on the occurrence of various future events and conditions and may or may not result in an outflow of resources.

Note 33

Financial risk management continued

Note 33.2 Liquidity risk continued

	Statements of financial position carrying value	0 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	\$m	\$m	\$m	\$m	\$m	\$m
CONSOLIDATED 2024						
Deposits ¹	148,340	138,804	9,367	544	-	148,715
Cash collateralised borrowing and repurchase agreements ²	12,599	12,655	13	5	-	12,673
Trading liabilities ³	4,937	4,946	-	-	-	4,946
Margin money and settlement liabilities	22,269	22,308	-	-	-	22,308
Derivative liabilities (trading) ²	24,196	24,196	-	-	-	24,196
Derivative liabilities (hedge accounting relationships) ⁴	1,087					
Contractual amounts payable		485	1,625	1,696	202	4,008
Contractual amounts receivable		(277)	(1,306)	(1,182)	(82)	(2,847)
Other liabilities	5,542	2,599	1,903	837	451	5,790
Issued debt securities and other borrowings ⁵	71,939	12,611	33,172	28,119	2,438	76,340
Due to other Macquarie Group entities	12,048	5,690	-	6,358	-	12,048
Loan capital ⁶	10,825	130	520	8,847	4,792	14,289
Total liabilities	313,782	224,147	45,294	45,224	7,801	322,466
Total contingent liabilities and commitments⁷		25,668	256	78	-	26,002
Total contractual undiscounted cash flows		249,815	45,550	45,302	7,801	348,468

¹ Included deposits that are contractually at call. These deposits provide a stable source of long-term funding.

² Included \$9,556 million of RBA Term Funding Facility which was repaid in June 2024.

³ Derivative liabilities (trading) and trading liabilities are included in the '0 to 3 months' at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, as they are frequently traded.

⁴ Where multiple derivatives are combined in order to form a single hedge instrument designated in a hedge accounting relationship, each derivative is considered independently for the purposes of assessing liquidity risk and for the disclosure's requirements.

⁵ Includes \$11,621 million payables to SE note holders which is disclosed on the basis of expected maturity of the notes which are dependent on the repayment of the underlying loans that the SE holds.

⁶ Includes securities with conditional repayment obligations. The cash outflow on the principal component on these securities is disclosed using the earliest optional exchange dates and the cash outflow of the interest component is disclosed using coupon dates instead of the contractual maturity. For contractual maturity of these securities refer to Note 23 *Loan capital*, further these instruments may be converted into ordinary shares on the occurrence of an other exchange event, and this may impact their maturity profile.

⁷ Includes undrawn credit commitments and performance related contingencies in 0 to 3 months maturity band to reflect their earliest possible maturity. Comparative information has been restated to conform to presentation in the current period. Cash flows on contingent liabilities and commitments are dependent on the occurrence of various future events and conditions and may or may not result in an outflow of resources.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.2 Liquidity risk continued

	Statements of financial position carrying value	0 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	\$m	\$m	\$m	\$m	\$m	\$m
COMPANY 2025						
Deposits ¹	176,043	168,929	6,994	374	-	176,297
Cash collateralised borrowing and repurchase agreements	4,690	1,550	3,234	-	-	4,784
Trading liabilities ²	5,558	5,577	-	-	-	5,577
Margin money and settlement liabilities	20,552	20,558	-	-	-	20,558
Derivative liabilities (trading) ²	20,388	20,388	-	-	-	20,388
Derivative liabilities (hedge accounting relationships) ³	795					
Contractual amounts payable		399	1,914	1,984	121	4,418
Contractual amounts receivable		(263)	(1,730)	(1,495)	(79)	(3,567)
Other liabilities	4,060	2,618	1,263	183	-	4,064
Issued debt securities and other borrowings	67,006	15,165	38,708	14,359	955	69,187
Due to subsidiaries	19,448	7,460	2,542	9,519	1,347	20,868
Due to other Macquarie Group entities	8,423	5,453	-	2,970	-	8,423
Loan capital ⁴	12,540	2,093	1,143	7,519	4,822	15,577
Total liabilities⁵	339,503	249,927	54,068	35,413	7,166	346,574
Total contingent liabilities and commitments⁶		29,148	101	-	-	29,249
Total contractual undiscounted cash flows		279,075	54,169	35,413	7,166	375,823

¹ Includes deposits that are contractually at call. These deposits provide a stable source of long-term funding.

² Derivative liabilities (trading) and trading liabilities are included in the '0 to 3 months' at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, as they are frequently traded.

³ Where multiple derivatives are combined in order to form a single hedge instrument designated in a hedge accounting relationship, each derivative is considered independently for the purposes of assessing liquidity risk and for the disclosure's requirements.

⁴ Includes securities with conditional repayment obligations. The cash outflow on the principal component on these securities is disclosed using the earliest optional exchange dates and the cash outflow of the interest component is disclosed using coupon dates instead of the contractual maturity. For contractual maturity of these securities refer to Note 23 *Loan capital*, further these instruments may be converted into ordinary shares on the occurrence of an other exchange event, and this may impact their maturity profile.

⁵ The Consolidated Entity and the Company have not had any defaults of principal, interest or other breaches with respect to its funding sources during the financial years reported.

⁶ Includes undrawn credit commitments and performance related contingencies in 0 to 3 months maturity band to reflect their earliest possible maturity. Comparative information has been restated to conform to presentation in the current period. Cash flows on contingent liabilities and commitments are dependent on the occurrence of various future events and conditions and may or may not result in an outflow of resources.

Note 33

Financial risk management continued

Note 33.2 Liquidity risk continued

	Statements of financial position carrying value	0 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	\$m	\$m	\$m	\$m	\$m	\$m
COMPANY 2024						
Deposits ¹	146,500	138,294	8,062	470	-	146,826
Cash collateralised borrowing and repurchase agreements	12,547	12,602	13	5	-	12,620
Trading liabilities ²	4,937	4,946	-	-	-	4,946
Margin money and settlement liabilities	19,239	19,277	-	-	-	19,277
Derivative liabilities (trading) ²	21,970	21,972	-	-	-	21,972
Derivative liabilities (hedge accounting relationships) ³	1,090					
Contractual amounts payable		573	1,780	1,073	202	3,628
Contractual amounts receivable		(366)	(1,445)	(563)	(82)	(2,456)
Other liabilities	3,606	1,735	1,607	281	-	3,623
Issued debt securities and other borrowings	51,883	9,914	28,985	13,914	1,336	54,149
Due to subsidiaries	22,646	10,615	2,519	7,687	1,825	22,646
Due to other Macquarie Group entities	11,809	5,470	-	6,339	-	11,809
Loan capital ⁴	10,823	130	520	8,847	4,792	14,289
Total liabilities	307,050	225,162	42,041	38,053	8,073	313,329
Total contingent liabilities and commitments⁵		25,286	157	48	-	25,491
Total contractual undiscounted cash flows		250,448	42,198	38,101	8,073	338,820

¹ Includes deposits that are contractually at call. These deposits provide a stable source of long-term funding.

² Derivative liabilities (trading) and trading liabilities are included in the '0 to 3 months' at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, as they are frequently traded.

³ Where multiple derivatives are combined in order to form a single hedge instrument designated in a hedge accounting relationship, each derivative is considered independently for the purposes of assessing liquidity risk and for the disclosure's requirements.

⁴ Includes securities with conditional repayment obligations. The cash outflow on the principal component on these securities is disclosed using the earliest optional exchange dates and the cash outflow of the interest component is disclosed using coupon dates instead of the contractual maturity. For contractual maturity of these securities refer to Note 23 *Loan capital*, further these instruments may be converted into ordinary shares on the occurrence of an other exchange event, and this may impact their maturity profile.

⁵ Includes undrawn credit commitments and performance related contingencies in 0 to 3 months maturity band to reflect their earliest possible maturity. Comparative information has been restated to conform to presentation in the current period. Cash flows on contingent liabilities and commitments are dependent on the occurrence of various future events and conditions and may or may not result in an outflow of resources.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.3 Market risk

Macquarie's balance sheet includes a **'trading book'**, which is defined in accordance with APRA's traded market risk prudential standard (APS116), and subject to the traded market risk framework. Any position not deemed to be trading book is considered to be **'banking book'**, and covered by either the non-traded market risk or equity risk frameworks.

Traded market risk

Market risk is the risk of adverse changes in the value of the Consolidated Entity's trading positions as a result of changes in market conditions. The Consolidated Entity is exposed to the following risks:

- **price:** The risk of loss due to changes in price of a risk factor (interest rates, foreign exchange, commodities etc.)
- **volatility:** The risk of loss due to changes in the volatility of a risk factor
- **basis:** The risk of imperfect correlation between offsetting investments in a hedging strategy
- **correlation:** The risk that the actual correlation between two assets or variables is different from the assumed correlation
- **illiquid market:** The risk of inability to sell assets or close out positions in thinly-traded markets at close to the last market prices
- **concentration:** The risk of over concentration of trading exposures in certain markets and products
- **valuation adjustments:** The risk of actual valuation adjustments to derivative positions; specifically Credit Valuation Adjustment (CVA), Debit Valuation Adjustment (DVA) and Funding Valuation Adjustment (FVA).

It is recognised that all trading activities contain calculated elements of risk taking. The Consolidated Entity is prepared to accept such risks provided they are within agreed limits, independently and correctly identified, calculated and monitored by RMG, and reported to Senior Management on a regular basis.

RMG monitors positions within the Consolidated Entity according to a limit structure which sets limits for all exposures in all markets. Limits are set for both individual trading desks and divisions as well as in aggregate.

RMG sets three complementary limit structures:

- **contingent loss limits:** Worst-case scenarios that shock prices and volatilities by more than that which has occurred historically. Multiple scenarios are set for each market to capture the non-linearity and complexity of exposures arising from derivatives. A wide range of assumptions about the correlation between markets is applied
- **position limits:** Volume, maturity and open position limits are set on a large number of market instruments and securities in order to constrain concentration risk and to avoid the accumulation of risky, illiquid positions
- **Value-at-Risk (VaR) limits:** A statistical measure based on a 10-day holding period and a 99% confidence level, as stipulated by the APRA capital adequacy standard. The model is validated daily by back testing a one-day VaR against hypothetical and actual daily trading profit or loss.

Note 33**Financial risk management continued****Note 33.3 Market risk continued**

Value-at-Risk figures (1 day, 99% confidence level)

The table below shows the average, maximum and minimum VaR over the financial year for the major markets in which the Consolidated Entity and Company operates. The VaR shown in the table is based on a one-day holding period being the mark-to-market loss that could be incurred over that period. The aggregated VaR includes the effects of correlation between risk factors.

	2025			2024		
	Average \$m	Maximum \$m	Minimum \$m	Average \$m	Maximum \$m	Minimum \$m
	CONSOLIDATED					
Equities	7.99	11.63	4.02	5.44	7.95	3.19
Interest rates	4.36	6.98	3.08	4.59	7.19	3.13
Foreign exchange	3.72	6.62	1.86	3.16	7.76	1.26
Commodities and commodity contracts	23.79	38.90	17.44	30.15	50.35	17.53
Aggregate	26.51	40.18	19.60	31.40	52.96	19.69
	COMPANY					
Equities	8.02	11.75	4.00	5.43	7.98	3.23
Interest rates	5.11	7.38	4.01	5.39	8.04	3.48
Foreign exchange	4.26	10.51	1.57	4.90	15.02	1.20
Commodities and commodity contracts	17.98	26.01	12.73	17.67	24.95	11.04
Aggregate	21.06	29.28	15.40	20.07	28.44	12.76

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 33

Financial risk management continued

Note 33.3 Market risk continued

Value-at-Risk

The VaR model uses a Monte Carlo simulation where price and volatility risk factors are derived from multiple normal distributions, based on three years of historical data. The following factors can limit the effectiveness of VaR in predicting future price moves:

- the use of historical data means that the current model parameters may not reflect future market conditions, especially when entering a period of heightened volatility. The model utilises exponential weighting to place emphasis on the most recent market movements to more accurately reflect current conditions
- VaR is calculated at the 99% level of confidence and does not account for losses that could occur beyond this point.

For capital adequacy purposes, debt-specific risk is measured using APRA's standard method, whilst all other exposures are captured by the VaR model. This combined approach has been approved by APRA.

Non-traded market risk

The Consolidated Entity and the Company have exposure to non-traded market risks arising from transactions entered into during its normal course of business and as a result of its investments in foreign operations. These risks include:

- **interest rate:** Changes in the level, shape and volatility of yield curves, and/or client behaviour given these changes
- **foreign exchange:** Changes in the spot exchange rates
- **credit spread:** exposure due to changes in market pricing for a given level of credit risk. Note this does not include idiosyncratic risk to a particular counterparty which is covered under Credit Risk frameworks.

The Consolidated Entity has limited appetite for non-traded market risks. Where commercially feasible, these risks are transferred into the trading books of CGM and Group Treasury and governed within the traded market risk framework described above. Responsibility for managing exposures rests with individual businesses, with independent monitoring performed by RMG and FPE.

Accounting considerations arising from hedging activities

The use of derivative and other financial instruments to hedge non-traded positions potentially gives rise to income statement volatility due to difference in accounting treatments. The Consolidated Entity manages this volatility through hedge accounting and use of naturally offsetting positions in the income statement as set out in Note 40(x) *Derivative instruments and hedging activities* and Note 32 *Hedge accounting*.

Interest rate risk in the banking book (IRRBB)

Macquarie measures and monitors interest rate risk on both an economic value and earnings basis, which are modelled as the worst-case contingent loss from a set of six severe interest rate shocks, including both parallel and non-parallel shocks. Aggregate IRRBB exposures for the Consolidated Entity are constrained on both measures:

- **Economic Value Sensitivity (EVS):** The EVS metric measures the change in net present value of the interest-bearing portfolios in the banking book as a result of changes in interest rates
- **Earnings at Risk (EaR):** The EaR model constrains the impact on reported net income over 12 months for a change in interest rates.

A central objective of the Consolidated Entity's *Non-traded Market Risk Policy* is to reduce earnings volatility to interest rate movements. A key component of this arises where shareholders equity invested in interest bearing assets are managed by holding a portfolio of 'receive fixed' interest rate swaps. The duration of this hedging program is governed as part of the capital management strategy, and subject to independent oversight by RMG.

Note 33

Financial risk management continued

Note 33.3 Market risk continued

Foreign exchange risk

The Consolidated Entity is active in various currencies globally. A key objective of the Consolidated Entity's Non-traded Market Risk Policy is to reduce this sensitivity of regulatory capital ratios to foreign currency movements.

This is achieved by leaving specific investments in foreign operations exposed to foreign currency translation movements and captured in the foreign currency translation reserve, a component of regulatory capital, which aligns the foreign exchange sensitivity of capital supply with that of foreign currency capital requirements.

The table below presents the sensitivity of the Consolidated Entity's net investment in foreign operations to the most material currencies. As a result of the policy described above, these movements will not have a material impact on the capital ratios.

	2025		2024	
	Movement in exchange rates %	Sensitivity of other comprehensive income after tax \$m	Movement in exchange rates %	Sensitivity of other comprehensive income after tax \$m
CONSOLIDATED				
United States dollar	+10	(670)	+10	(626)
Pound sterling	+10	(101)	+10	(97)
Total		(771)		(723)
United States dollar	-10	670	-10	626
Pound sterling	-10	101	-10	97
Total		771		723
COMPANY				
United States dollar	+10	(670)	+10	(626)
Pound sterling	+10	(101)	+10	(97)
Total		(771)		(723)
United States dollar	-10	670	-10	626
Pound sterling	-10	101	-10	97
Total		771		723

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 34

Measurement categories of financial instruments

The following table contains information relating to the measurement categories (i.e. Held for trading (HFT), FVTPL, DFVTPL, FVOCI or Amortised cost) of assets and liabilities of the Consolidated Entity. The descriptions of measurement categories are included in Note 40(vii) *Financial instruments*.

The methods and significant assumptions that have been applied in determining the fair values of assets and liabilities are disclosed in Note 35 *Fair value of assets and liabilities*.

	FINANCIAL INSTRUMENTS CARRIED AT						FAIR VALUE OF ITEMS CARRIED AT		
	FAIR VALUE				Amortised Cost	Non-financial instruments	Statements of financial position total	Fair Value	Amortised Cost
	HFT	DFVTPL	FVTPL	FVOCI					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	CONSOLIDATED 2025								
Assets									
Cash and bank balances	-	-	-	-	22,269	-	22,269	-	22,269
Cash collateralised lending and reverse repurchase agreements	-	256	8,299	33,680	17,930	-	60,165	42,235	17,930
Trading assets ¹	22,594	-	-	-	-	7,135	29,729	29,729	-
Margin money and settlement assets	-	-	353	-	19,719	-	20,072	353	19,719
Derivative assets	23,015	-	921	-	-	-	23,936	23,936	-
Financial investments:									
Equity	-	-	210	-	-	-	210	210	-
Debt ²	-	-	110	14,652	2,085	-	16,847	14,762	2,085
Held for sale and other assets	-	-	3,566	394	1,543	1,723	7,226	3,960	1,543
Loan assets ²	-	-	768	-	180,618	-	181,386	768	180,664
Due from other Macquarie Group entities ³	2,684	-	-	-	3,333	280	6,297	2,684	3,333
Property, plant and equipment and right-of-use assets ²	-	-	-	-	-	5,989	5,989	-	-
Deferred tax assets	-	-	-	-	-	1,095	1,095	-	-
Total assets	48,293	256	14,227	48,726	247,497	16,222	375,221	118,637	247,543
Liabilities									
Deposits	-	-	-	-	177,671	-	177,671	-	177,682
Cash collateralised borrowing and repurchase agreements	-	24	-	-	4,668	-	4,692	24	4,668
Trading liabilities	5,753	-	-	-	-	-	5,753	5,753	-
Margin money and settlement liabilities	-	-	-	-	23,610	-	23,610	-	23,610
Derivative liabilities	22,380	-	804	-	-	-	23,184	23,184	-
Other liabilities ⁴	-	3,568	-	-	2,262	4,064	9,894	3,568	1,500
Due to other Macquarie Group entities ³	605	-	-	-	8,318	142	9,065	605	8,318
Issued debt securities and other borrowings ²	-	1,526	-	-	84,278	-	85,804	1,526	84,626
Deferred tax liabilities	-	-	-	-	-	21	21	-	-
Loan capital ²	-	-	-	-	12,540	-	12,540	-	12,894
Total liabilities	28,738	5,118	804	-	313,347	4,227	352,234	34,660	313,298

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 the designated hedged risks.

³ Due from other Macquarie Group entities and Due to other Macquarie Group entities includes derivatives and trading positions classified as HFT. 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 34

Measurement categories of financial instruments continued

	FINANCIAL INSTRUMENTS CARRIED AT							FAIR VALUE OF ITEMS CARRIED AT	
	FAIR VALUE				Amortised Cost	Non-financial instruments	Statements of financial position total	Fair Value	Amortised Cost
	HFT	DFVTPL	FVTPL	FVOCI					
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
CONSOLIDATED 2024									
Assets									
Cash and bank balances	-	-	-	-	28,055	-	28,055	-	28,055
Cash collateralised lending and reverse repurchase agreements	-	-	11,773	26,076	11,726	-	49,575	37,848	11,726
Trading assets ¹	24,664	-	-	-	-	1,964	26,628	26,628	-
Margin money and settlement assets	-	-	275	-	16,352	-	16,627	275	16,352
Derivative assets	22,982	-	784	-	-	-	23,766	23,766	-
Financial investments:									
Equity	-	-	238	-	-	-	238	238	-
Debt ²	-	-	114	16,703	1,919	-	18,736	16,817	1,919
Held for sale and other assets	-	-	3,881	255	2,436	1,535	8,107	4,135	2,436
Loan assets ²	-	-	450	-	156,286	-	156,736	450	156,112
Due from other Macquarie Group entities ³	3,543	-	-	-	562	679	4,784	3,543	562
Property, plant and equipment and right-of-use assets ²	-	-	-	-	-	5,835	5,835	-	-
Deferred tax assets	-	-	-	-	-	1,076	1,076	-	-
Total assets	51,189	-	17,515	43,034	217,336	11,089	340,163	113,700	217,162
Liabilities									
Deposits	-	-	-	-	148,340	-	148,340	-	148,299
Cash collateralised borrowing and repurchase agreements	-	83	-	-	12,516	-	12,599	83	12,516
Trading liabilities	4,937	-	-	-	-	-	4,937	4,937	-
Margin money and settlement liabilities	-	-	-	-	22,269	-	22,269	-	22,269
Derivative liabilities	24,196	-	1,087	-	-	-	25,283	25,283	-
Held for sale and other liabilities ⁴	-	3,669	-	-	1,873	4,738	10,280	3,669	1,444
Due to other Macquarie Group entities	423	-	-	-	11,625	240	12,288	425	11,625
Issued debt securities and other borrowings ²	-	1,416	-	-	70,523	-	71,939	1,416	70,603
Deferred tax liabilities	-	-	-	-	-	22	22	-	-
Loan capital ²	-	-	-	-	10,825	-	10,825	-	11,158
Total liabilities	29,556	5,168	1,087	-	277,971	5,000	318,782	35,813	277,914

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 the designated hedged risk.

³ Due from other Macquarie Group entities and Due to other Macquarie Group entities includes derivatives and trading positions classified as HFT. 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.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 34

Measurement categories of financial instruments continued

The following table contains information relating to the measurement categories of assets and liabilities of the Company. The descriptions of measurement categories are included in Note 40(vii) *Financial instruments*.

The methods and significant assumptions that have been applied in determining the fair values of assets and liabilities are disclosed in Note 35 *Fair value of assets and liabilities*.

	FINANCIAL INSTRUMENTS CARRIED AT						FAIR VALUE OF ITEMS CARRIED AT		
	FAIR VALUE				Amortised Cost	Non-financial instruments	Statements of financial position total	Fair Value	Amortised Cost
	HFT	DFVTPL	FVTPL	FVOCI					
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
COMPANY 2025									
Assets									
Cash and bank balances	-	-	-	-	20,100	-	20,100	-	20,100
Cash collateralised lending and reverse repurchase agreements	-	-	7,797	32,221	17,323	-	57,341	40,018	17,323
Trading assets ¹	21,922	-	-	-	-	6,781	28,703	28,703	-
Margin money and settlement assets	-	-	-	-	15,973	-	15,973	-	15,973
Derivative assets	20,560	-	663	-	-	-	21,223	21,223	-
Financial investments:									
Equity	-	-	138	-	-	-	138	138	-
Debt	-	-	109	14,567	2,086	-	16,762	14,676	2,086
Held for sale and other assets	-	-	1,941	394	1,389	574	4,298	2,335	1,389
Loan assets ^{2,3}	-	-	619	-	178,375	-	178,994	619	177,951
Due from other Macquarie Group entities ⁴	2,682	-	-	-	2,679	37	5,398	2,682	2,679
Due from subsidiaries	2,059	-	6	-	4,065	-	6,130	2,065	4,069
Property, plant and equipment and right-of-use assets	-	-	-	-	-	4,213	4,213	-	-
Investments in subsidiaries	-	-	-	-	-	4,122	4,122	-	-
Deferred tax assets	-	-	-	-	-	520	520	-	-
Total assets	47,223	-	11,273	47,182	241,990	16,247	363,915	112,459	241,570
Liabilities									
Deposits	-	-	-	-	176,043	-	176,043	-	176,050
Cash collateralised borrowing and repurchase agreements	-	24	-	-	4,666	-	4,690	24	4,666
Trading liabilities	5,558	-	-	-	-	-	5,558	5,558	-
Margin money and settlement liabilities	-	-	-	-	20,552	-	20,552	-	20,552
Derivative liabilities	20,388	-	795	-	-	-	21,183	21,183	-
Other liabilities	-	2,702	-	-	1,358	2,198	6,258	2,702	1,358
Due to other Macquarie Group entities ⁴	601	-	-	-	7,822	10	8,433	601	7,820
Due to subsidiaries	1,661	-	35	-	17,752	5	19,453	1,696	17,836
Issued debt securities and other borrowings ²	-	1,141	-	-	65,865	-	67,006	1,141	65,999
Deferred tax liabilities	-	-	-	-	-	22	22	-	-
Loan capital ²	-	-	-	-	12,540	-	12,540	-	12,894
Total liabilities	28,208	3,867	830	-	306,598	2,235	341,738	32,905	307,175

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 the designated hedged risk.

³ Loan assets measured at FVOCI represents certain loan portfolio assessed to be managed under a held to collect and sell business model in the Company. In the Consolidated Entity, the portfolio is managed under a held to collect business model and hence measured at amortised cost.

⁴ Due from other Macquarie Group entities and Due to other Macquarie Group entities includes derivatives and trading positions classified as HFT. All other intercompany receivables or payables are carried at amortised cost except for non-financial instruments.

Note 34

Measurement categories of financial instruments continued

	FINANCIAL INSTRUMENTS CARRIED AT							FAIR VALUE OF ITEMS CARRIED AT	
	FAIR VALUE				Amortised Cost	Non-financial instruments	Statements of financial position total	Fair Value	Amortised Cost
	HFT	DFVTPL	FVTPL	FVOCI					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
	COMPANY 2024								
Assets									
Cash and bank balances	-	-	-	-	22,799	-	22,799	-	22,799
Cash collateralised lending and reverse repurchase agreements	-	-	11,652	24,638	11,347	-	47,637	36,290	11,347
Trading assets ¹	24,037	-	-	-	-	1,470	25,507	25,507	-
Margin money and settlement assets	-	-	-	-	13,757	-	13,757	-	13,757
Derivative assets	18,894	-	672	-	-	-	19,566	19,566	-
Financial investments:									
Equity	-	-	181	-	-	-	181	181	-
Debt	-	-	97	16,703	1,614	-	18,414	16,800	1,614
Held for sale and other assets	-	-	2,144	255	1,589	339	4,327	2,399	1,589
Loan assets ^{2,3}	-	-	345	1,257	153,068	-	154,670	1,602	152,924
Due from other Macquarie Group entities ⁴	3,529	-	-	-	312	217	4,058	3,529	312
Due from subsidiaries	3,980	225	127	133	5,633	13	10,111	4,465	5,633
Property, plant and equipment and right-of-use assets ²	-	-	-	-	-	4,125	4,125	-	-
Investments in subsidiaries	-	-	-	-	-	4,803	4,803	-	-
Deferred tax assets	-	-	-	-	-	516	516	-	-
Total assets	50,440	225	15,218	42,986	210,119	11,483	330,471	110,339	209,975
Liabilities									
Deposits	-	-	-	-	146,500	-	146,500	-	146,456
Cash collateralised borrowing and repurchase agreements	-	32	-	-	12,515	-	12,547	32	12,515
Trading liabilities	4,937	-	-	-	-	-	4,937	4,937	-
Margin money and settlement liabilities	-	-	-	-	19,239	-	19,239	-	19,239
Derivative liabilities	21,970	-	1,090	-	-	-	23,060	23,060	-
Other liabilities	-	2,736	-	-	870	2,406	6,012	2,736	870
Due to other Macquarie Group entities ⁴	417	-	-	-	11,392	69	11,878	417	11,392
Due to subsidiaries	2,829	389	35	-	19,393	4	22,650	3,253	19,665
Issued debt securities and other borrowings ²	-	1,081	-	-	50,802	-	51,883	1,081	50,876
Deferred tax liabilities	-	-	-	-	-	-	-	-	-
Loan capital ²	-	-	-	-	10,825	-	10,825	-	11,158
Total liabilities	30,153	4,238	1,125	-	271,536	2,479	309,531	35,516	272,171

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 the designated hedged risk.

³ Loan assets measured at FVOCI represents certain loan portfolio assessed to be managed under a held to collect and sell business model in the Company. In the Consolidated Entity, the portfolio is managed under a held to collect business model and hence measured at amortised cost.

⁴ Due from other Macquarie Group entities and Due to other Macquarie Group entities includes derivatives and trading positions classified as HFT. All other intercompany receivables or payables are carried at amortised cost except for non-financial instruments.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 35

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 or 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.

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

Asset or liability	Valuation techniques, inputs and other significant assumptions
Cash and bank balances, Cash collateralised lending and reverse repurchase agreement, Cash collateralised borrowing and repurchase agreement	The fair values of cash and bank balance, cash collateralised lending and reverse repurchase agreement, cash collateral borrowing and repurchase agreement approximates their carrying amounts as these are highly liquid and short-term in nature.
Loan assets and Deposits	The fair values of fixed rate loan assets and term deposits is determined with reference to changes in interest rates and credit spreads. The fair values of variable rate loan assets and deposits approximates their carrying amounts, subject to any adjustment for changes in the credit spreads. The fair values 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 values of liquid assets and other instruments maturing within three months are approximate to their carrying amounts. The fair values of fixed rate debt investments carried at amortised cost is estimated by reference to current market rates offered on similar securities and the creditworthiness of the borrower. The fair values of variable rate 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 values 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 values 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.

Note 35

Fair value of assets and liabilities continued

The following methods and significant assumptions have been applied in determining the fair values of following items carried at fair value in the Statements 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. 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 own credit risk, an adjustment is incorporated into the valuations.

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.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 35

Fair value of assets and liabilities continued

Assets and Liabilities measured at amortised cost

The fair values calculated for financial instruments which are carried in the Statements of financial position at amortised cost are for disclosure purposes only. The methods and assumptions applied to derive these fair values can require significant judgement by management and therefore may not necessarily be comparable to other financial institutions. Where information on the significance of unobservable inputs to the fair value measurement is not readily available, financial assets and financial liabilities measured at amortised cost are presented on the basis that unobservable inputs are significant to the position.

The following table summarises the levels of the fair value hierarchy of financial assets and financial liabilities measured at amortised cost except where the carrying value is approximately equal to the fair value.

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
CONSOLIDATED 2025				
Assets				
Loan assets	-	8,431	172,233	180,664
Total assets	-	8,431	172,233	180,664
Liabilities				
Deposits	134,769	24,845	18,068	177,682
Issued debt securities and other borrowings	489	78,464	5,673	84,626
Loan capital	2,539	10,355	-	12,894
Total liabilities	137,797	113,664	23,741	275,202
CONSOLIDATED 2024				
Assets				
Loan assets	-	7,131	148,981	156,112
Total assets	-	7,131	148,981	156,112
Liabilities				
Deposits	107,012	21,675	19,612	148,299
Issued debt securities and other borrowings	-	63,143	7,460	70,603
Loan capital	2,449	8,709	-	11,158
Total liabilities	109,461	93,527	27,072	230,060

The financial assets and liabilities held with other Macquarie Group entities which are measured at amortised cost in the Company as at 31 March 2025 and 31 March 2024 are categorised as Level 3 in the fair value hierarchy.

Note 35

Fair value of assets and liabilities continued

Assets and Liabilities measured at amortised cost continued

The following table summarises the levels of the fair value hierarchy of financial assets and financial liabilities measured at amortised cost except where the carrying value is approximately equal to the fair value.

	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
COMPANY 2025				
Assets				
Loan assets	-	6,536	171,415	177,951
Total assets	-	6,536	171,415	177,951
Liabilities				
Deposits	134,697	23,289	18,064	176,050
Issued debt securities and other borrowings	489	65,510	-	65,999
Loan capital	2,539	10,355	-	12,894
Total liabilities	137,725	99,154	18,064	254,943
COMPANY 2024				
Assets				
Loan assets	-	6,168	146,756	152,924
Total assets	-	6,168	146,756	152,924
Liabilities				
Deposits	106,951	19,897	19,608	146,456
Issued debt securities and other borrowings	-	50,876	-	50,876
Loan capital	2,449	8,709	-	11,158
Total liabilities	109,400	79,482	19,608	208,490

The financial assets and liabilities held with subsidiaries and other Macquarie Group entities which are measured at amortised cost in the Company as at 31 March 2025 and 31 March 2024 are categorised as Level 3 in the fair value hierarchy.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 35

Fair value of assets and liabilities continued

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
CONSOLIDATED 2025				
Assets				
Cash collateralised lending and reverse repurchase agreements	-	42,235	-	42,235
Trading assets	17,641	11,219	869	29,729
Margin money and settlement assets	-	353	-	353
Derivative assets	73	23,524	339	23,936
Financial investments	1,362	13,399	211	14,972
Other assets	-	3,950	10	3,960
Loan assets	-	762	6	768
Due from other Macquarie Group entities	-	2,684	-	2,684
Total assets	19,076	98,126	1,435	118,637
Liabilities				
Cash collateralised borrowing and repurchase agreements	-	24	-	24
Trading liabilities	5,398	355	-	5,753
Derivative liabilities	3	22,872	309	23,184
Other liabilities	-	3,562	6	3,568
Due to other Macquarie Group entities	-	605	-	605
Issued debt securities and other borrowings	-	1,526	-	1,526
Total liabilities	5,401	28,944	315	34,660
CONSOLIDATED 2024				
Assets				
Cash collateralised lending and reverse repurchase agreements	-	37,848	-	37,848
Trading assets	19,583	6,226	819	26,628
Margin money and settlement assets	-	275	-	275
Derivative assets	-	23,403	363	23,766
Financial investments	159	16,649	247	17,055
Other assets	-	4,078	57	4,135
Loan assets	-	428	22	450
Due from other Macquarie Group entities	-	3,543	-	3,543
Total assets	19,742	92,450	1,508	113,700
Liabilities				
Cash collateralised borrowing and repurchase agreements	-	83	-	83
Trading liabilities	4,787	150	-	4,937
Derivative liabilities	-	24,728	555	25,283
Other liabilities	-	3,616	53	3,669
Due to other Macquarie Group entities	-	425	-	425
Issued debt securities and other borrowings	-	1,416	-	1,416
Total liabilities	4,787	30,418	608	35,813

Note 35

Fair value of assets and liabilities continued

Assets and Liabilities measured at fair value continued

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
COMPANY 2025				
Assets				
Cash collateralised lending and reverse repurchase agreements	-	40,018	-	40,018
Trading assets	17,641	10,252	810	28,703
Derivative assets	73	20,932	218	21,223
Financial investments	1,265	13,395	154	14,814
Other assets	-	2,329	6	2,335
Loan assets	-	619	-	619
Due from subsidiaries	-	1,998	67	2,065
Due from other Macquarie Group entities	-	2,682	-	2,682
Total assets	18,979	92,225	1,255	112,459
Liabilities				
Cash collateralised borrowing and repurchase agreements	-	24	-	24
Trading liabilities	5,398	160	-	5,558
Derivative liabilities	3	20,950	230	21,183
Other liabilities	-	2,696	6	2,702
Due to subsidiaries	-	1,621	75	1,696
Due to other Macquarie Group entities	-	601	-	601
Issued debt securities and other borrowings	-	1,141	-	1,141
Total liabilities	5,401	27,193	311	32,905
COMPANY 2024				
Assets				
Cash collateralised lending and reverse repurchase agreements	-	36,290	-	36,290
Trading assets	19,546	5,331	630	25,507
Derivative assets	-	19,384	182	19,566
Financial investments	155	16,649	177	16,981
Other assets	-	2,343	56	2,399
Loan assets	-	345	1,257	1,602
Due from subsidiaries	-	4,119	346	4,465
Due from other Macquarie Group entities	-	3,529	-	3,529
Total assets	19,701	87,990	2,648	110,339
Liabilities				
Cash collateralised borrowing and repurchase agreements	-	32	-	32
Trading liabilities	4,787	150	-	4,937
Derivative liabilities	-	22,957	103	23,060
Other liabilities	-	2,685	51	2,736
Due to subsidiaries	-	3,068	185	3,253
Due to other Macquarie Group entities	-	419	-	419
Issued debt securities and other borrowings	-	1,081	-	1,081
Total liabilities	4,787	30,392	339	35,518

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 35

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.

	Trading assets \$m	Financial investments \$m	Other assets \$m	Loan assets \$m	Derivative financial instruments (net fair values) ¹ \$m	Other liabilities \$m	Total \$m
CONSOLIDATED 2024							
Balance as at 1 Apr 2023	758	273	48	3	5	-	1,087
Purchases, originations, issuances and other additions	712	33	58	25	44	(78)	794
Sales, settlements and repayments	(602)	(2)	(46)	(6)	(225)	21	(860)
Transfers into Level 3 ²	10	33	-	-	8	-	51
Transfers out of Level 3 ²	(150)	(81)	(3)	-	(54)	4	(284)
Fair value movements recognised in the income statement:							
Net trading income/(loss) ³	91	20	-	-	30	-	141
Other income/(loss)	-	(58)	-	-	-	-	(58)
Fair value movements recognised in OCI	-	29	-	-	-	-	29
Balance as at 31 March 2024	819	247	57	22	(192)	(53)	900
Fair value gain/(loss) for the financial year included in the income statement for assets and liabilities held at the end of the financial year ³	91	(39)	-	-	28	-	80
CONSOLIDATED 2025							
Balance as at 1 Apr 2024	819	247	57	22	(192)	(53)	900
Purchases, originations, issuances and other additions	878	11	5	11	(35)	(6)	864
Sales, settlements and repayments	(767)	(67)	(59)	(28)	147	53	(721)
Transfers into Level 3 ²	12	50	3	-	53	-	118
Transfers out of Level 3 ²	(73)	-	-	-	(15)	-	(88)
Fair value movements recognised in the income statement:							
Net trading income/(loss) ³	-	12	-	1	72	-	85
Other income/(loss)	-	(37)	4	-	-	-	(33)
Fair value movements recognised in OCI	-	(5)	-	-	-	-	(5)
Balance as at 31 March 2025	869	211	10	6	30	(6)	1,120
Fair value gain/(loss) for the financial year included in the income statement for assets and liabilities held at the end of the financial year ³	-	(25)	4	1	72	-	52

¹ The derivative financial instruments in the table above are presented on a net basis. On a gross basis, derivative assets are \$339 million (2024: \$363 million) and derivative liabilities are \$309 million (2024: \$555 million).

² Assets and liabilities transferred in or out of Level 3 are presented as if the assets or liabilities had been transferred at the beginning of the financial year.

³ The Consolidated Entity employs various hedging techniques in order to manage market 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 denominated financial instruments that are measured at amortised cost, that are not presented in the table above.

Note 35

Fair value of assets and liabilities continued

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

The following table summarises the movements in Level 3 of the fair value hierarchy for the assets and liabilities, measured at fair value.

	Trading assets	Financial investments	Loan assets	Due from/to subsidiaries (net values) ¹	Other assets	Derivative financial instruments (net fair values) ²	Other liabilities	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
COMPANY 2024								
Balance as at 1 Apr 2023	290	221	2,065	73	-	123	-	2,772
Purchases, originations, issuances and other additions	524	9	-	-	58	47	(68)	570
Sales, settlements and repayments	(213)	(2)	(861)	25	-	(102)	13	(1,140)
Transfers into Level 3 ³	8	33	-	-	-	4	-	45
Transfers out of Level 3 ³	(70)	(83)	-	18	(2)	(11)	4	(144)
Fair value movements recognised in the income statement:								
Net trading income/(loss) ⁴	91	10	-	45	-	18	-	164
Other income/(loss)	-	(40)	-	-	-	-	-	(40)
Fair value movements recognised in OCI	-	29	53	-	-	-	-	82
Balance as at 31 March 2024	630	177	1,257	161	56	79	(51)	2,309
Fair value gain/(loss) for the financial year included in the income statement for assets and liabilities held at the end of the financial year ⁴	91	(30)	-	45	-	17	-	123
COMPANY 2025								
Balance as at 1 Apr 2024	630	177	1,257	161	56	79	(51)	2,309
Purchases, originations, issuances and other additions	807	14	-	52	2	(103)	(6)	766
Sales, settlements and repayments	(637)	(51)	-	(93)	(59)	-	51	(789)
Transfers into Level 3 ³	11	50	-	-	3	9	-	73
Transfers out of Level 3 ³	(1)	(2)	(1,257)	(128)	-	(18)	-	(1,406)
Fair value movements recognised in the income statement:								
Net trading income/(loss) ⁴	-	7	-	-	-	21	-	28
Other income/(loss)	-	(36)	-	-	4	-	-	(32)
Fair value movements recognised in OCI	-	(5)	-	-	-	-	-	(5)
Balance as at 31 March 2025	810	154	-	(8)	6	(12)	(6)	944
Fair value gain/(loss) for the financial year included in the income statement for assets and liabilities held at the end of the financial year ⁴	-	(29)	-	-	4	21	-	(4)

¹ The balance Due from/to subsidiaries in the table above is presented on a net basis. On a gross basis, Due from subsidiaries are \$67 million (2024: \$346 million) and Due to subsidiaries are \$75 million (2024: \$185 million).

² The derivative financial instruments in the table above are presented on a net basis. On a gross basis, derivative assets are \$218 million (2024: \$182 million) and derivative liabilities are \$230 million (2024: \$103 million).

³ 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 financial year.

⁴ The Company employs various hedging techniques in order to manage market risks including foreign exchange risks in Level 3 positions. The gains and losses relating to such hedging techniques, that 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 denominated financial instruments that are measured at amortised cost, are not presented in the table above.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 35

Fair value of assets and liabilities continued

Significant transfers between levels of the fair value hierarchy

During the financial year the Consolidated Entity and the Company did not have significant transfers between Level 1 and Level 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 financial year. Financial assets reclassified into/out of the fair value hierarchy disclosure due to recognition and measurement category changes, or where there have been changes in significant influence or control but some form of interest in the assets are still retained, are also presented as transfers into/out of Level 3.

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.

	CONSOLIDATED		COMPANY	
	2025	2024	2025	2024
	\$m	\$m	\$m	\$m
Balance at the beginning of the financial year	270	247	123	123
Deferred gain on new transactions and other adjustments	225	191	69	67
Foreign exchange movements	2	(2)	1	1
Recognised in net trading income during the financial year ¹	(147)	(166)	(108)	(68)
Balance at the end of the financial year	350	270	85	123

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

Note 35

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 therefore 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	Maximum value
CONSOLIDATED 2025						
Commodities	1,078	288	Pricing Model	Commodity margin curves	(188.7)	2,552.2
			Pricing Model	Correlation	20.0 %	100.0 %
			Pricing Model	Volatility and related variables	5.9 %	90.5 %
Equity and equity linked products	167	8	Comparable transactions	Price in % ¹		
Interest Rate and other Products			190	19	Pricing Model	Bond yield
		Pricing Model			Bond price	34.9
Total	1,435	315				
CONSOLIDATED 2024						
Commodities	1,185	591	Pricing Model	Commodity margin curves	(230.9)	958.7
			Pricing Model	Correlation	(50.0)%	100.0 %
			Pricing Model	Volatility and related variables	0.1 %	212.1 %
Equity and equity linked products	172	2	Comparable transactions	Price in % ¹		
Interest Rate and other Products			151	15	Discounted cash flows	Discount rates - Credit spread
Total	1,508	608				

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.

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. 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.

¹ The range of inputs related to market comparability has not been disclosed as the diverse nature of the underlying investments results in a wide range of inputs.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 35

Fair value of assets and liabilities continued

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 rate 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.

Price in %: Comparable transactions are leveraged to price the fair value of the assets and liabilities and a percentage is applied to ascertain the proportion of the transaction price that is comparable with the specific asset/liability. This price percentage is unobservable input and judgemental depending on the characteristics of the asset/liability.

Sensitivity analysis of valuations using unobservable inputs

The table below shows the sensitivity to reasonably possible alternative assumptions for Level 3 instruments whose fair values are determined in whole, or in part, using unobservable inputs. The sensitivity aims to measure the impact on fair value when significant unobservable inputs are stressed. Favourable and unfavourable changes in the below table represents such fair value movement. 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 \$m	Profit or loss \$m
		CONSOLIDATED 2025
Product type		
Commodities	122	(115)
Interest rate and other products	11	(7)
Equity and equity-linked products	19	(19)
Total	152	(141)
		CONSOLIDATED 2024
Product type		
Commodities	213	(180)
Interest rate and other products	13	(38)
Equity and equity-linked products	18	(19)
Total	244	(237)

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

Note 35**Fair value of assets and liabilities continued**

	FAVOURABLE CHANGES	UNFAVOURABLE CHANGES
	Profit or loss \$m	Profit or loss \$m
		COMPANY 2025
Product type		
Commodities	70	(68)
Interest rate and other products	10	(6)
Equity and equity-linked products	16	(16)
Total	96	(90)
		COMPANY 2024
Product type		
Commodities	104	(89)
Interest rate and other products	13	(37)
Equity and equity-linked products	16	(16)
Total	133	(142)

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

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 36

Offsetting financial assets and financial liabilities

The Consolidated Entity and the Company present financial assets and financial liabilities on a net basis in the Statements of financial position when they meet the criteria described in the offsetting of financial instruments section of Note 40(vii) *Financial instruments*. The following tables provide information on the impact of offsetting of financial instruments in the Statements of financial position, as well as amounts subject to enforceable netting arrangements that do not meet all the criteria for offsetting and therefore are presented gross in the Statements of financial position. Enforceable netting arrangements may allow for net settlement of specified contracts with a counterparty only in the event of default or other pre-determined events, such that their potential effects on the Consolidated Entity's and the Company's financial position in that circumstance is to settle these contracts as one arrangement. Amounts subject to enforceable netting arrangements have been limited to the net amount presented in the Statement of financial position so as not to include the impact of over-collateralisation and amounts not subject to enforceable netting arrangements are where there are no master netting arrangements or enforceability of an agreement is uncertain under bankruptcy laws in some countries or industries.

The Consolidated Entity and the Company use a variety of credit risk mitigation strategies in addition to netting and collateral arrangements, therefore amounts presented in this note are not intended to represent the credit risk exposure of the entity. Refer to Note 33.1 *Credit risk* for information on credit risk management.

	EFFECT OF OFFSETTING ON THE STATEMENT OF FINANCIAL POSITION		RELATED AMOUNTS SUBJECT TO ENFORCEABLE NETTING ARRANGEMENTS			Other collateral for exposures not subject to enforceable netting arrangements	Net exposure
	Gross amount ¹	Amounts offset on the Statements of financial position	Net amounts reported on the Statements of financial position	Other recognised financial instruments	Cash and other financial collateral		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
CONSOLIDATED 2025							
Cash collateralised lending and reverse repurchase agreements	61,270	(1,105)	60,165	(15)	(53,255)	(6,255)	640
Settlement assets ²	9,533	(5,827)	3,706	(752)	-	-	2,954
Derivative assets	27,556	(3,620)	23,936	(13,531)	(3,286)	(231)	6,888
Other assets ²	5,082	(737)	4,345	(122)	(65)	(11)	4,147
Due from other Macquarie Group entities ³	6,063	(80)	5,983	(600)	(3,923)	-	1,460
Total Assets	109,504	(11,369)	98,135	(15,020)	(60,529)	(6,497)	16,089
Cash collateralised borrowing and repurchase agreements	(5,797)	1,105	(4,692)	15	1,850	8	(2,819)
Settlement liabilities ²	(13,443)	5,827	(7,616)	733	-	-	(6,883)
Derivative liabilities	(26,804)	3,620	(23,184)	13,549	5,912	8	(3,715)
Other liabilities ²	(4,316)	737	(3,579)	122	-	-	(3,457)
Due to other Macquarie Group entities ³	(6,128)	80	(6,048)	600	265	-	(5,183)
Total Liabilities	(56,488)	11,369	(45,119)	15,019	8,027	16	(22,057)

¹ Gross amounts for assets include \$6,306 million of cash collateralised lending and reverse repurchase agreements, \$2,315 million of settlement assets, \$870 million of derivative assets, \$4,054 million of commodity related receivables and \$434 million of Due from other Macquarie Group entities not subject to enforceable netting arrangements. Gross amounts for liabilities include \$8 million of cash collateralised borrowing and repurchase agreements, \$2,173 million of settlements liabilities, \$748 million of derivative liabilities, \$3,447 million of commodity related payables and \$3,216 million of Due to other Macquarie Group entities not subject to enforceable netting arrangements.

² Settlement assets and liabilities excludes margin money assets and liabilities presented under Note 7 Margin money and settlement assets and Note 18 *Margin money and settlement liabilities* respectively on the statements of financial position. Other assets and liabilities represents commodity related receivables and payables, respectively.

³ Excludes margin money and non-financial assets of \$314 million and liabilities of \$3,017 million presented under Due from other Macquarie Group entities and Due to other Macquarie Group entities respectively on the Statements of financial position.

Note 36

Offsetting financial assets and financial liabilities continued

	EFFECT OF OFFSETTING ON THE STATEMENT OF FINANCIAL POSITION			RELATED AMOUNTS SUBJECT TO ENFORCEABLE NETTING ARRANGEMENTS		Other collateral for exposures not subject to enforceable netting arrangements	Net exposure
	Gross amount ¹	Amounts offset on the Statements of financial position	Net amounts reported on the Statements of financial position	Other recognised financial instruments	Cash and other financial collateral		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
CONSOLIDATED 2024							
Cash collateralised lending and reverse repurchase agreements	49,887	(312)	49,575	(16)	(45,572)	(3,951)	36
Settlement assets ²	6,454	(2,538)	3,916	(810)	-	-	3,106
Derivative assets	29,539	(5,773)	23,766	(12,433)	(4,044)	(60)	7,229
Other assets ²	5,257	(460)	4,797	(211)	(127)	(29)	4,430
Due from other Macquarie Group entities ³	4,303	(246)	4,057	(409)	(3,135)	-	513
Total Assets	95,440	(9,329)	86,111	(13,879)	(52,878)	(4,040)	15,314
Cash collateralised borrowing and repurchase agreements	(12,911)	312	(12,599)	16	10,357	59	(2,167)
Settlement liabilities ²	(7,018)	2,538	(4,480)	817	-	-	(3,663)
Derivative liabilities	(31,056)	5,773	(25,283)	12,428	6,067	62	(6,726)
Other liabilities ²	(4,138)	460	(3,678)	211	-	-	(3,467)
Due to other Macquarie Group entities ³	(9,088)	246	(8,842)	409	184	1	(8,248)
Total Liabilities	(64,211)	9,329	(54,882)	13,881	16,608	122	(24,271)

¹ Gross amounts for assets include \$3,951 million of cash collateralised lending and reverse repurchase agreements, \$2,144 million of settlement assets, \$850 million of derivative assets, \$4,383 million of commodity related receivables and \$294 million of Due from other Macquarie Group entities not subject to enforceable netting arrangements. Gross amounts for liabilities include \$59 million of cash collateralised borrowing and repurchase agreements, \$1,941 million of settlements liabilities, \$1,070 million of derivative liabilities, \$3,094 million of commodity related payables and \$6,616 million of Due to other Macquarie Group entities not subject to enforceable netting arrangements.

² Settlement assets and liabilities excludes margin money assets and liabilities presented under Note 7 *Margin money and settlement assets* and Note 18 *Margin money and settlement liabilities* respectively on the statements of financial position. Other assets and liabilities represents commodity related receivables and payables, respectively.

³ Excludes margin money and non-financial assets of \$727 million and liabilities of \$3,446 million presented under Due from other Macquarie Group entities and Due to other Macquarie Group entities respectively on the Statements of financial position.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 36

Offsetting financial assets and financial liabilities continued

	EFFECT OF OFFSETTING ON THE STATEMENT OF FINANCIAL POSITION			RELATED AMOUNTS SUBJECT TO ENFORCEABLE NETTING ARRANGEMENTS		Other collateral for exposures not subject to enforceable netting arrangements	Net exposure
	Gross amount ¹	Amounts offset on the Statements of financial position	Net amounts reported on the Statements of financial position	Other recognised financial instruments	Cash and other financial collateral		
	\$m	\$m	\$m	\$m	\$m		
COMPANY 2025							
Cash collateralised lending and reverse repurchase agreements	57,899	(558)	57,341	(15)	(51,312)	(5,437)	577
Settlement assets ²	7,892	(5,182)	2,710	(680)	-	-	2,030
Derivative assets	24,435	(3,212)	21,223	(12,606)	(3,066)	(32)	5,519
Other assets ²	2,836	(112)	2,724	(32)	(34)	(11)	2,647
Due from subsidiaries ³	5,722	(272)	5,450	(1,346)	(652)	-	3,452
Due from other Macquarie Group entities ³	5,431	(74)	5,357	(600)	(3,923)	-	834
Total Assets	104,215	(9,410)	94,805	(15,279)	(58,987)	(5,480)	15,059
Cash collateralised borrowing and repurchase agreements	(5,248)	558	(4,690)	15	1,850	8	(2,817)
Settlement liabilities ²	(11,867)	5,182	(6,685)	686	-	-	(5,999)
Derivative liabilities	(24,395)	3,212	(21,183)	12,600	5,706	5	(2,872)
Other liabilities ²	(2,824)	112	(2,712)	32	-	-	(2,680)
Due to subsidiaries ³	(18,814)	272	(18,542)	1,346	640	-	(16,556)
Due to other Macquarie Group entities ³	(5,874)	74	(5,800)	600	265	-	(4,935)
Total Liabilities	(69,022)	9,410	(59,612)	15,279	8,461	13	(35,859)

¹ Gross amounts for assets include \$5,444 million of cash collateralised lending and reverse repurchase agreements, \$2,029 million of settlement assets, \$425 million of derivative assets, \$2,658 million of commodity related receivables, \$325 million of Due from other Macquarie Group entities and \$2,774 million of Due from subsidiaries not subject to enforceable netting arrangements. Gross amounts for liabilities include \$8 million of cash collateralised borrowing and repurchase agreements, \$1,807 million of settlements liabilities, \$418 million of derivative liabilities, \$2,672 million of commodity related payables, \$3,199 million of Due to other Macquarie Group entities and \$14,329 million of Due to subsidiaries not subject to enforceable netting arrangements.

² Settlement assets and liabilities excludes margin money assets and liabilities presented under Note 7 *Margin money and settlement assets* and Note 18 *Margin money and settlement liabilities* respectively on the statements of financial position. Other assets and liabilities represents commodity related receivables and payables, respectively.

³ Excludes margin money and non-financial assets of \$680 million and liabilities of \$911 million presented under Due from subsidiaries and Due to subsidiaries, respectively and margin money and non-financial assets of \$41 million and liabilities of \$2,633 million presented under Due from other Macquarie Group entities and Due to other Macquarie Group entities, respectively, on the Statements of financial position.

Note 36

Offsetting financial assets and financial liabilities continued

	EFFECT OF OFFSETTING ON THE STATEMENT OF FINANCIAL POSITION			RELATED AMOUNTS SUBJECT TO ENFORCEABLE NETTING ARRANGEMENTS		Other collateral for exposures not subject to enforceable netting arrangements	Net exposure
	Gross amount ¹	Amounts offset on the Statements of financial position	Net amounts reported on the Statements of financial position	Other recognised financial instruments	Cash and other financial collateral		
	\$m	\$m	\$m	\$m	\$m		
COMPANY 2024							
Cash collateralised lending and reverse repurchase agreements	47,949	(312)	47,637	(16)	(44,017)	(3,572)	32
Settlement assets ²	5,292	(2,195)	3,097	(792)	-	-	2,305
Derivative assets	25,057	(5,491)	19,566	(11,614)	(3,323)	(35)	4,594
Other assets ²	3,198	(136)	3,062	(14)	(96)	-	2,952
Due from subsidiaries ³	9,754	(354)	9,400	(2,667)	(1,389)	-	5,344
Due from other Macquarie Group entities ³	4,049	(229)	3,820	(405)	(3,125)	-	290
Total Assets	95,299	(8,717)	86,582	(15,508)	(51,950)	(3,607)	15,517
Cash collateralised borrowing and repurchase agreements	(12,859)	312	(12,547)	16	10,357	8	(2,166)
Settlement liabilities ²	(6,031)	2,195	(3,836)	763	-	-	(3,073)
Derivative liabilities	(28,551)	5,491	(23,060)	11,643	5,888	54	(5,475)
Other liabilities ²	(2,882)	136	(2,746)	14	-	-	(2,732)
Due to subsidiaries ³	(21,212)	354	(20,858)	2,667	981	-	(17,210)
Due to other Macquarie Group entities ³	(8,851)	230	(8,621)	405	184	1	(8,031)
Total Liabilities	(80,386)	8,718	(71,668)	15,508	17,410	63	(38,687)

¹ Gross amounts for assets include \$3,572 million of cash collateralised lending and reverse repurchase agreements, \$2,097 million of settlement assets, \$64 million of derivative assets, \$2,948 million of commodity related receivables, \$201 million of Due from other Macquarie Group entities and \$4,134 million of Due from subsidiaries not subject to enforceable master netting arrangements. Gross amounts for liabilities include \$8 million of cash collateralised borrowing and repurchase agreements, \$1,876 million of settlements liabilities, \$418 million of derivative liabilities, \$2,631 million of commodity related payables, \$6,598 million of Due to other Macquarie Group entities and \$14,526 million of Due to subsidiaries not subject to enforceable master netting arrangements.

² Settlement assets and liabilities excludes margin money assets and liabilities presented under Note 7 Margin money and settlement assets and Note 18 *Margin money and settlement liabilities* respectively on the statements of financial position. Other assets and liabilities represents commodity related receivables and payables, respectively.

³ Excludes and margin money and non-financial assets of \$711 million and liabilities of \$1,792 million presented under Due from subsidiaries and Due to subsidiaries, respectively and margin money and non-financial assets of \$238 million and liabilities of \$3,257 million presented under Due from other Macquarie Group entities and Due to other Macquarie Group entities, respectively, on the Statements of financial position.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 37

Pledged assets and transfers of financial assets

Pledged assets

Assets pledged as security for liabilities include the following:

- securities and commodities included under trading assets and off-balance sheet collateral securities pledged for repurchase transactions, stock lending arrangements, trading liabilities and derivative margining. These transactions are governed by standard industry agreements
- loan assets held by the Consolidated SEs provided as collateral against issued debt and other borrowings or repurchase transactions
- other types of financial and non-financial assets disclosed in the following table provided as collateral for borrowings
- cash and non-cash collateral placed as part of entering into derivative agreements. These transactions are governed by standard industry agreements. The table below excludes cash margin placed and recognised on the balance sheet. Refer Note 7 *Margin money and settlement assets* for further details.

The table below represents assets that have been pledged as security for liabilities.

	CONSOLIDATED		COMPANY	
	2025 \$m	2024 \$m	2025 \$m	2024 \$m
On Balance Sheet assets				
Cash and bank balances	7	22	-	22
Trading assets	6,216	9,059	5,923	8,514
Financial investments	-	305	-	-
Loan assets ¹	16,062	27,359	15,875	27,090
Settlement assets	-	93	-	-
Property, plant and equipment	101	192	-	-
Other assets	561	1,020	108	-
Due from subsidiaries	-	-	-	211
Total On Balance Sheet assets pledged for liabilities	22,947	38,050	21,906	35,837
Off Balance Sheet assets				
Securities and commodities ^{2,3}	26,436	25,042	25,644	24,567
Total On and Off Balance Sheet assets pledge for liabilities	49,383	63,092	47,550	60,404

¹ Includes \$15,831 million (2024: \$15,219 million) held by Consolidated SEs, which are available as security to holders of notes issued by the consolidated securitisation vehicles.

² Represents fair value of securities and commodities repledged out of the total non-cash collaterals of \$91,010 million (2024: \$81,417 million) received by the Consolidated Entity. Total non-cash collateral received includes \$85,611 million (2024: \$78,687 million) as part of Cash collateralised lending and reverse repurchase agreements, \$3,295 million (2024: \$2,730 million) as part of derivative margining arrangements, \$2,104 million (2024: \$nil million) as part of Cash collateralised lending and reverse repurchase agreements with Other Macquarie Group entities. Refer to *Cash collateralised lending and reverse repurchase agreements and Derivative instruments* under Note 33.1 *Credit risk – Collateral and credit enhancements held and Note 27 Related party information* for further details.

³ Represents fair value of securities and commodities repledged out of the total non-cash collaterals of \$86,168 million (2024: \$78,344 million) received by the Company. Total non-cash collateral received includes \$79,341 million (2024: \$73,580 million) as part of Cash collateralised lending and reverse repurchase agreements, \$1,940 million (2024: \$1,462 million) as part of derivative margining arrangements, \$2,104 million (2024: \$nil million) as part of Cash collateralised lending and reverse repurchase agreements with Other Macquarie Group entities and \$2,783 million (2024: \$3,302 million) from a subsidiary as part of a guarantee arrangement. Refer to *Cash collateralised lending and reverse repurchase agreements and Derivative instruments* under Note 33.1 *Credit risk – Collateral and credit enhancements held and Note 27 Related party information* for further details.

Note 37

Pledged assets and transfers of financial assets continued

Transfers of financial assets

The Consolidated Entity may enter into transactions in the normal course of business that transfer risks and rewards of financial assets recognised in the Consolidated Entity Statements of financial position to other entities. Depending on the criteria discussed in Note 40(xii) *Financial investments*, the Consolidated Entity may be unable to derecognise the transferred asset, be able to derecognise the transferred assets in full or continue to recognise the asset to the extent of its continuing involvement.

Transferred financial assets that are derecognised

When financial assets are derecognised, some continuing involvement may be retained in the assets in the form of liquidity support, financial guarantees, certain derivatives or retention of part of the securitisation interest through interest rate or basis swaps. The Consolidated Entity and the Company has not retained any material continuing involvement in transferred financial assets.

Transferred financial assets that are not derecognised

The Consolidated Entity did not derecognise any financial assets to the extent of continuing involvement in the years ended 31 March 2025 and 31 March 2024. The following transactions typically result in the transferred assets continuing to be recognised in full.

Repurchase and securities lending agreements

Securities and commodities sold under an agreement to repurchase and securities subject to lending agreements continue to be recognised in the Statements of financial position and an associated liability is recognised for the consideration received.

Where securities are transferred in return for the loan of other securities or on an unsecured basis in return for a fee, the transferred asset continues to be recognised in full. There is no associated liability as the securities received is not recognised on the balance sheet. The Consolidated Entity is unable to use, sell or pledge the transferred assets for the duration of the transaction and remains exposed to interest rate risk and credit risk on these assets.

In certain arrangements, the transferee cannot otherwise sell or pledge the transferred securities, however, the assets may be substituted if the required collateral is maintained.

Interest in securitisations

Financial assets (principally home loans and finance lease receivables) are packaged and securities issued to investors. Securitisation vehicles used to achieve this purpose are consolidated when the rights to the residual income of the vehicles, after all payments to investors and costs of the program have been met, is retained. When the Company is entitled to any residual income of a securitisation vehicle, the Company continues to recognise the financial assets.

If the Consolidated Entity sells financial assets to consolidated SEs, then the transfer is from the Consolidated Entity (which includes the consolidated SEs) to investors. The transfer is in the form of the Consolidated Entity assuming an obligation to pass cash flows from the underlying assets to investors.

Other financial transfers not derecognised

Includes loans and leases sold or lent to an external funder where the Consolidated Entity retains full economic exposure. In such instances, the Consolidated Entity has a right to receive cash from the underlying borrower or lessee and an obligation to pay those cash flows to the external funder.

Also, includes trading assets and financial investments that have been transferred as margin against future trades. The Consolidated Entity is unable to use, sell or pledge the transferred assets for the duration of open position and remains exposed to interest rate risk and credit risk on these assets.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 37

Pledged assets and transfers of financial assets continued

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	Carrying amount of transferred assets \$m	Carrying amount of associated liabilities \$m	FOR THOSE LIABILITIES THAT ONLY HAVE RECOURSE TO THE TRANSFERRED ASSETS		Net fair value \$m
			Fair value of transferred assets \$m	Fair value of associated liabilities \$m	
CONSOLIDATED 2025					
Financial assets not derecognised due to repurchase and securities lending agreements:					
Trading assets ¹	3,827	(398)	-	-	-
Other financial assets not derecognised:					
Trading assets	1,815	-	-	-	-
Loan assets	232	(232)	232	(232)	-
Financial assets not derecognised due to securitisations:					
Loan assets ^{2,3}	12,544	(10,749)	12,537	(10,942)	1,595
Total financial assets not derecognised	18,418	(11,379)	12,769	(11,174)	1,595
CONSOLIDATED 2024					
Financial assets not derecognised due to repurchase and securities lending agreements:					
Trading assets ¹	7,407	(247)	-	-	-
Loan assets	11,870	(9,556)	-	-	-
Other financial assets not derecognised:					
Trading assets	831	-	-	-	-
Financial investments	305	-	-	-	-
Loan assets	256	(256)	256	(256)	-
Financial assets not derecognised due to securitisations:					
Loan assets ^{2,3}	13,703	(11,621)	13,709	(11,603)	2,106
Total financial assets not derecognised	34,372	(21,680)	13,965	(11,859)	2,106

¹ Includes \$3,421 million (2024: \$7,140 million) assets transferred in return for the loan of other securities where there is no associated liability on the Consolidated Entity's Statements of financial position. The transferee has the right to sell or re-pledge the entire value of securities received.

² Carrying amount of associated liabilities represents the notes issued by SE and held by external investors.

³ Excludes \$51,471 million (2024: \$52,022 million) of securitised assets where the Company holds all of the instruments issued by the SEs.

Note 37

Pledged assets and transfers of financial assets continued

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

	Carrying amount of transferred assets	Carrying amount of associated liabilities	FOR THOSE LIABILITIES THAT ONLY HAVE RECOURSE TO THE TRANSFERRED ASSETS		
			Fair value of transferred assets	Fair value of associated liabilities	Net fair value
	\$m	\$m	\$m	\$m	\$m
COMPANY 2025					
Financial assets not derecognised due to repurchase and securities lending agreements:					
Trading assets ¹	3,825	(398)	-	-	-
Loan assets	-	-	-	-	-
Other financial assets not derecognised:					
Trading assets	1,815	-	-	-	-
Loan assets	45	(45)	45	(45)	-
Financial assets not derecognised due to securitisations:					
Loan assets ^{2,3}	15,831	(11,720)	15,824	(11,904)	3,920
Total financial assets not derecognised	21,516	(12,163)	15,868	(11,948)	3,920
COMPANY 2024					
Financial assets not derecognised due to repurchase and securities lending agreements:					
Trading assets ¹	7,392	(247)	-	-	-
Loan assets	11,870	(9,556)	-	-	-
Other financial assets not derecognised:					
Trading assets	831	-	-	-	-
Financial assets not derecognised due to securitisations:					
Loan assets ^{2,3}	15,219	(12,453)	15,223	(11,937)	3,286
Total financial assets not derecognised	35,312	(22,256)	15,223	(11,937)	3,286

¹ Includes \$3,418 million (2024: \$7,125 million) assets transferred in return for the loan of other securities where there is no associated liability on the Company's Statements of financial position. The transferee has the right to sell or re-pledge the entire value of securities received.

² Carrying amount of associated liabilities represents the obligation recognised towards SE presented under Due to subsidiaries.

³ Excludes \$51,471 million (2024: \$52,022 million) of securitised assets where the Company holds all of the instruments issued by the SEs.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 38

Audit and other services provided by PricewaterhouseCoopers

During the financial year, PricewaterhouseCoopers (PwC) and its network firms, the auditor of the Consolidated Entity and the Company, earned the following remuneration.

	CONSOLIDATED		COMPANY	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Audit of the Group and controlled entities:				
PwC – Australia	20,509	19,619	18,658	18,002
Network firms of PwC Australia	5,721	5,696	493	363
Total audit services	26,230	25,315	19,151	18,365
Audit-related services: ¹				
PwC – Australia	7,248	9,254	5,912	7,734
Network firms of PwC Australia	301	130	118	111
Total audit-related services	7,549	9,384	6,030	7,845
Total audit and audit-related services	33,779	34,699	25,181	26,210
Taxation services:				
PwC – Australia	-	13	-	-
Network firms of PwC Australia	342	305	139	127
Total taxation services	342	318	139	127
Other services:				
PwC – Australia	1,143	629	304	376
Network firms of PwC Australia	44	5	5	-
Total other services	1,187	634	309	376
Total other non-audit services	1,529	952	448	503
Total remuneration paid to PwC for audit, audit-related and other non-audit services	35,308	35,651	25,629	26,713

Use of PwC's services for engagements other than audit is restricted in accordance with the Consolidated Entity's *Audit and Assurance Independence Policy*.

¹ Audit related services consist of assurance and related service traditionally performed by the independent external auditor of the Consolidated Entity. While in addition to their statutory audit role, these services are consistent with the role of the external auditor and include statutory assurance and other assurance services such as engagements required under regulatory, prudential, legislative or financing programmes as well as reviews requested by regulators and other agreed upon procedures.

Note 39

Events after the reporting date

There were no material events subsequent to 31 March 2025 and up until the authorisation of the financial statements for issue, that have not been disclosed elsewhere in this Financial Report.

Note 40

Material accounting policies

(i) Principles of consolidation

Subsidiaries

The consolidated Financial Report reflects the financial performance and financial position of the Consolidated Entity. Subsidiaries are all those entities (including structured entities) which the Consolidated Entity controls. The Consolidated Entity controls an entity where it has:

- power to direct the relevant activities of the entity
- exposure, or rights, to variable returns from its involvement with the entity, and
- the ability to utilise power to affect the entity's returns.

The determination of control is based on current facts and circumstances and is continuously assessed. The Consolidated Entity has power over an entity when it has existing substantive rights that provide it with the current ability to direct the entity's relevant activities, being those activities that significantly affect the entity's returns. The Consolidated Entity also considers the entity's purpose and design. If the Consolidated Entity determines that it has power over an entity, the Consolidated Entity then evaluates its exposure, or rights, to variable returns by considering the magnitude and variability associated with its economic interests.

All variable returns are considered in making that assessment including, but not limited to, returns from debt or equity investments, guarantees, liquidity arrangements, variable fees and certain derivative contracts. In certain instances, the Consolidated Entity may determine that it controls entities where it has less than half of the voting rights on the basis of its ability to direct the relevant activities of those entities.

Structured entities

Structured Entities (SEs) are those entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when voting rights relate to administrative tasks only and the relevant activities of the SE are directed by means of contractual arrangements. When assessing whether the Consolidated Entity controls (and therefore consolidates) a SE, judgement is required as to whether the Consolidated Entity has power over the relevant activities as well as exposure, or rights, to variable returns of the SE. Refer to Note 31 *Structured entities* for further information related to both consolidated and unconsolidated SE's.

Consolidation

The effects of all transactions between subsidiaries in the Consolidated Entity are eliminated in full. Unrealised losses are eliminated in the same manner as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests (NCI) in the results and equity of subsidiaries are shown separately in the consolidated Income statements, consolidated Statements of comprehensive income, consolidated Statements of changes in equity and consolidated Statements of financial position and are determined on the basis of the Consolidated Entity's present ownership interest in the entity.

Where control of an entity was obtained during the financial year, its results are included in the consolidated Income statements from the date on which control was obtained. Where control of an entity ceased during the financial year, its results are included for that part of the financial year during which control existed.

The Consolidated Entity determines the dates of obtaining control (i.e. acquisition date) and losing control (i.e. disposal date) of another entity based on an assessment of all pertinent facts and circumstances that affect the ability to direct the relevant activities and the extent of the Consolidated Entity's exposure to the entity's variable returns. Facts and circumstances that have the most impact include the contractual arrangements agreed with the counterparty, the manner in which those arrangements are expected to operate in practice and whether regulatory approval is required (including the nature of such approval). The acquisition or disposal date does not necessarily occur when the transaction is closed or finalised under law.

Subsidiaries held by the Company are carried in its financial statements at cost less accumulated impairments, adjusted for changes in fair value attributable to the spot foreign exchange risk where such subsidiaries are designated in qualifying fair value hedge relationships.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 40

Material accounting policies continued

(i) Principles of consolidation continued

Interests in associates and joint ventures

Associates and joint ventures are entities over which the Consolidated Entity has significant influence or joint control. Existing ownership interests (including in-substance ownership interests) in associates and joint ventures are accounted for under the equity method. In-substance ownership interests are interests that are substantially similar to an investee's ordinary shares. Equity accounting of the ownership interests is applied from the date that the Consolidated Entity has significant influence or joint control and ceases when the Consolidated Entity no longer has significant influence or joint control.

The Consolidated Entity determines the dates of obtaining or losing significant influence or joint control of another entity based on an assessment of all pertinent facts and circumstances that affect the ability to significantly influence the financial and operating policies or jointly control the relevant activities of that entity. Facts and circumstances that have the most impact include the contractual arrangements agreed with the counterparty, the manner in which those arrangements are expected to operate in practice, and whether regulatory approval is required (including the nature of such approval). Equity accounting is discontinued from the date when the investment ceases to be an associate or joint venture, which is when significant influence or joint control is lost.

The equity method of accounting is applied in the consolidated Financial Report and requires the recognition of the Consolidated Entity's share of its associates' and joint ventures' post-acquisition profits or loss (including impairments of the associates' or joint ventures' assets) in the consolidated income statement, and the share of the post-acquisition movements in other comprehensive income in the consolidated statement of comprehensive income. The Consolidated Entity's share of post acquisition profits or losses of associates and joint ventures are included in net other operating income. Dividends received by the Consolidated Entity from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Transactions reported directly in equity (besides those reflected in other comprehensive income) are accounted for by the Consolidated Entity in accordance with the substance of the transaction and whether the transaction is dilutive to the Consolidated Entity's ownership interest. Where the transaction is dilutive to the Consolidated Entity's interest in the associate or joint venture, the impact is recorded as part of the Consolidated Entity's share of profits or losses of associates and joint ventures.

Equity accounting of losses is restricted to the Consolidated Entity's interests in its associate or joint venture, unless the Consolidated Entity has an obligation or has made payment on behalf of the entity.

Long-term interests in an associate or joint venture, to which the equity method is not applied but in-substance form part of the net investment in the associate or joint venture, are accounted for in accordance with the Consolidated Entity's financial instruments' accounting policies, which includes accounting for expected credit losses, where applicable.

Subsequently, the loss allocation and impairment requirements in AASB 128 *Investments in Associates and Joint Ventures* are applied to long-term interests.

Where necessary, accounting policies of associates and joint ventures have been changed to ensure consistency with those adopted by the Consolidated Entity.

At the end of each reporting period, management reviews the Consolidated Entity's investments in associates and joint ventures for indicators of impairment. Where there is an indicator of impairment, the carrying amount of the investment is tested for impairment by comparing its recoverable amount with its carrying value. Impairment losses and reversals are recognised in other impairment charges/reversals. A reversal of a previously recognised impairment loss is recognised only to the extent that the investment's carrying value does not exceed the carrying amount that would have been determined (including consideration of any equity accounted losses), if no impairment loss had been recognised.

Interests in associates and joint ventures are classified as held for sale when the Consolidated Entity determines that the interest will be recovered principally through a sale transaction rather than through continuing use. Equity accounting is suspended when the interest is classified as held for sale.

On disposal of an investment in an associate or a joint venture, the difference between the sales consideration, any retained interest and the carrying value is recognised as a gain or loss in investment income as part of net other operating income and charges, together with any gains and losses in OCI related to the associate or joint venture that are reclassified to the income statement.

Investments (including in-substance existing ownership interests) in associates and joint ventures held by the Company are carried in its financial statements at cost less accumulated impairment.

Changes in ownership interests

When acquiring additional interests:

- of a financial asset (such that it becomes an associate, joint venture or subsidiary), or
- in an investment in an associate or joint venture (such that it becomes a subsidiary), where the underlying entity constitutes a business,

previously held interests are revalued to their fair value and any gain or loss is recognised in investment income as part of net other operating income and charges.

Similarly, when selling ownership interests of a subsidiary, where the underlying constitutes a business (such that control is lost), or an investment in an associate or joint venture (such that it becomes a financial asset), retained ownership interests are revalued to their fair value and any gain or loss is recognised in investment income as part of net other operating income and charges. Retained ownership interests are not revalued where the sale represents a contribution to an associate or joint venture, nor in certain circumstances where the partial sale of an investment in associate or joint venture, which continues to be equity accounted post the sale, is affected through a holding company subsidiary.

Note 40

Material accounting policies continued

(i) Principles of consolidation continued

Increases and decreases in the Consolidated Entity's interest in a subsidiary (that do not result in the loss of control) are accounted for directly within equity. Increases in the Consolidated Entity's ownership interest in an associate or joint venture are accounted for as an increase in the carrying value of the interest in associate or joint venture. The difference between the reduction in the Consolidated Entity's interest in an associate or joint venture that remains an associate or joint venture and the fair value of consideration received is accounted for as a gain or loss within investment income as part of net other operating income and charges. A proportionate amount of associated OCI is reclassified to profit or loss, or reclassified within equity, as would otherwise be required on disposal of the underlying position.

(ii) Business combinations

Distinguishing between whether assets or a business is acquired involves judgement. The Consolidated Entity identifies a business where an acquired integrated set of activities and assets includes an economic resource (input) and a substantive process that together significantly contribute to the ability to provide goods or services to customers, generate investment income or other income from ordinary activities (outputs).

On a transaction-by-transaction basis, the Consolidated Entity may use a practical expedient to determine that an acquired set of activities is not a business. Under this assessment, the transaction is accounted for as an asset acquisition if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Business combinations are accounted for using the acquisition method. The consideration exchanged is measured as the aggregate of the acquisition-date fair values of assets transferred, equity instruments issued, and liabilities incurred. Transaction costs of a business combination are recognised directly in the consolidated income statement as part of other operating expenses.

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured at fair value on the acquisition date. The Consolidated Entity elects, on a transaction-by-transaction basis, to initially measure NCI either at fair value or at the NCI's proportionate share of the fair values of the identifiable assets and liabilities.

Goodwill is measured as the excess of the consideration exchanged, recognised NCI, and the fair value of previously held equity interests over the fair value of the identifiable net assets of the business acquired and is recognised as part of intangible assets. Goodwill is subsequently measured at cost less accumulated impairment.

If the consideration is less than the Consolidated Entity's share of the fair value of the identifiable net assets of the business acquired, the difference is recognised in investment income as part of net other operating income and charges, but only after a reassessment of the identification and measurement of the net assets acquired.

Contingent consideration that is dependent on any subsequent event is measured at fair value with changes in its fair value recognised in investment income as part of net other operating income and charges.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present values as at the acquisition date. The discount rate used is the Consolidated Entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Combinations between entities or businesses under common control

Common control transactions, which are business combinations involving entities or businesses that are ultimately controlled by the same parent entity, are accounted for at book value.

Where the Consolidated Entity acquires, as part of a common control transaction, assets that meet the definition of a business, the assets and liabilities acquired are recorded using the book values included in the consolidated financial statements of the entity having the highest level within the common control group and, where applicable, are presented gross of any accumulated amortisation, depreciation and impairment. The Consolidated Entity accounts for the difference between the consideration paid and the book value of the assets and liabilities acquired as a restructure reserve in equity, generally in retained earnings.

In the Consolidated Entity's financial statements, to the extent the common control transaction occurred between entities ultimately controlled by Macquarie Bank Limited, the selling entity's gains and losses relating to a common control transaction are eliminated against the amount recorded in the acquirer's equity relating to the common control transaction.

(iii) Foreign currency translation

Functional and presentation currency

The functional currency of each entity (including branches) in the Consolidated Entity is determined as the currency of the primary economic environment in which the entity operates. The Consolidated Entity and the Company's financial statements are presented in Australian dollars (the presentation currency), which is also the Company's functional currency. A foreign operation is an entity or a group of entities whose activities are based or conducted in a country or currency other than that of the Consolidated Entity.

Transactions and balances

At initial recognition, a foreign currency transaction is translated into the entity's functional currency using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period:

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

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 40

Material accounting policies continued

(iii) Foreign currency translation continued

- non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date that the fair value was measured.

Foreign exchange gains and losses arising from the settlement or translation of monetary items, or non-monetary items measured at fair value, are recognised in net trading income with one exception being where such monetary items are designated as hedging instruments in qualifying cash flow hedge or net investment hedge relationships. In such circumstances the foreign exchange gains and losses may be deferred in OCI to the extent the hedge is effective (refer to Note 32 *Hedge accounting* and Note 40(x) *Derivative instruments and hedging activities*).

Subsidiaries and other entities

The results and financial position of all entities that have a functional currency other than Australian dollars are translated into Australian dollars as follows:

- assets and liabilities for each Statements of financial position presented are translated at the closing exchange rate at the date of that Statements of financial position. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing exchange rate
- income and expenses for each income statement are translated at actual or average exchange rates at the dates of the transactions
- all resulting exchange differences are recognised in OCI within a separate component of reserves, being the foreign currency translation reserve (FCTR).

Foreign currency gains and losses on intragroup loans are recognised in the income statement except where the loan is in-substance part of the Consolidated Entity's net investment in the foreign operation, in which case the foreign currency gains and losses are recognised in the Consolidated Entity's FCTR.

The exchange gains or losses recognised in FCTR are reclassified to the income statement or reattributed within equity as follows:

- if there is a disposal of a foreign operation, then the accumulated FCTR is reclassified from OCI to investment income within net other operating income and charges
- if there is a partial disposal of a foreign operation that is an associate or joint arrangement, without loss of significant influence or joint control, then a proportionate share of the accumulated FCTR is reclassified to investment income
- if there is a partial disposal of a foreign operation that is a subsidiary, without loss of control, then a proportionate share of the accumulated FCTR is reattributed within equity to non-controlling interests.

(iv) Revenue and expense recognition

Net interest income

Interest income and interest expense (with the exception of borrowing costs that are capitalised on a qualifying asset which is not measured at fair value) are recognised using the effective interest rate (EIR) method for financial assets and financial liabilities carried at amortised cost, and debt financial assets classified as at fair value through OCI. The EIR method calculates the amortised cost of a financial instrument at a rate that discounts estimated future cash receipts or payments through the expected life of the financial instrument to the gross carrying amount of the financial asset or liability. Fees and transaction costs that are integral to the lending arrangement are recognised in interest income or interest expense, as applicable, over the expected life (or, when appropriate, a shorter period) of the instrument in accordance with the EIR method.

When the estimates of payments or receipts of a financial instrument are subsequently revised, the carrying amount is adjusted to reflect the actual or revised cash flows with the remeasurement recognised as part of interest income (financial assets) or interest expense (financial liabilities).

The calculation of the EIR does not include ECL, except for financial assets which on initial recognition are classified as purchased or originated credit impaired (POCI). Interest income on these assets is determined using a credit adjusted EIR by discounting the estimated future cash receipts, including credit losses expected at initial recognition, through the expected life of the financial instrument to the net carrying amount of the financial asset.

Interest income on financial assets that are subsequently classified as credit-impaired (Stage III), is recognised by applying the EIR to the amortised cost carrying value (being the gross carrying value after deducting the ECL). Interest income and expense on financial assets and liabilities that are classified as FVTPL is accounted for on a contractual rate basis and included in Other Interest Income.

Fee and commission income

Revenue earned by the Consolidated Entity from its contracts with customers primarily consists of the following categories of fee and commission income.

Brokerage and other trading-related fee income

The Consolidated Entity enters into contracts with customers to act as an agent to buy and sell securities. The brokerage and commission income related to this service is recognised on trade date and is presented net of any rebates.

Service fee from other Macquarie Group entities

Service fees for the provision of resources or other ancillary services to other Group entities, when the Company or its subsidiaries performs a service for other entities within the Macquarie Group as per the group shared services agreements, are recognised as and when those services are performed.

Note 40

Material accounting policies continued

(iv) Revenue and expense recognition continued

Other fee and commission income

Other fee and commission income includes fees earned on a range of banking products and services platforms, wealth services, credit cards, structuring fees, portfolio administration, lending services, stock borrow and lending activities and income on structured products which is recognised when the performance obligation is satisfied which is when it has been established that the customer has received the benefit of the product or service.

The revenue recognition policies above are applied to internal fee sharing arrangements between the entities within the Macquarie Group. Management fees and other cost recoveries are recognised as and when the Company performs a service to other entities within the Macquarie Group as per the agreed cost or profit sharing arrangements.

Net operating lease income

Operating lease income is recognised on a straight-line basis over the lease term and is presented net of the related depreciation expense.

Net other operating income and charges

Net other operating income and charges includes investment income, and other income/charges.

Investment income includes gains and losses arising from subsequent changes in the fair values of equity and debt investment securities that are classified as FVTPL and dividends or distributions on these securities which represent the return on such investments.

Gains or losses on the change of control, joint control and/or significant influence and reclassifications to/from held for sale also forms part of investment income. Refer to Note 40(i) *Principles of consolidation* for details on the timing of recognition of such gains or losses.

Dividends

Dividends or distributions are recognised when the right to receive a dividend or distribution is established, it is probable the economic benefits associated with the dividend will flow to the Company and/or Consolidated Entity and the dividend can be measured reliably.

Dividends or distributions from HFT assets are recognised in net trading income, as investment income as part of net other operating income and charges for other financial assets measured at FVTPL or FVOCI, or as a reduction to the carrying amount of the investment in associates and joint ventures. Where associates and joint ventures are classified as held for sale, dividends or distributions are recognised within other income as part of net other operating income and charges.

In the Company's financial statements, judgement may be applied in determining whether distributions from subsidiaries are to be recognised as dividend income or as a return of capital. Distributions that represent a return of capital are accounted for by the Company as a reduction to the cost of its investment and are otherwise recognised by the Company within investment income as part of net other operating income and charges when the recognition criteria are met.

Expenses

Expenses are recognised in the income statement as and when the provision of services is received.

(v) Segment reporting

Operating Segments are identified on the basis of internal reports to Senior Management about components of the Consolidated Entity that are regularly reviewed by Senior Management who have been identified as the chief operating decision makers, in order to allocate resources to the segment and to assess its performance. Information reported to Senior Management for the purposes of resource allocation and assessment of performance is specifically focused on core products and services offered, comprising three reportable segments as disclosed in Note 3 *Segment reporting*.

Information about products and services is based on the financial information used to produce the Consolidated Entity's financial statements. Information about geographical segments is based on the jurisdiction of the respective entities.

(vi) Taxation

The balance sheet approach to tax effect accounting has been adopted whereby the income tax expense for the financial year is the tax payable on the current year's taxable income adjusted for changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

Deferred tax assets are recognised when temporary differences arise between the tax bases of assets and liabilities and their respective carrying amounts which give rise to a future tax benefit, or when a benefit arises due to unused tax losses. In both cases, deferred tax assets are recognised only to the extent that it is probable that future taxable amounts will be available against which to utilise those temporary differences or tax losses.

Deferred tax liabilities are recognised when such temporary differences give rise to taxable amounts that are payable in future periods. Deferred tax assets and liabilities are recognised at the tax rates expected to apply when the assets are recovered, or the liabilities are settled under enacted or substantively enacted tax law.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 40

Material accounting policies continued

(vi) Taxation continued

Deferred tax assets and deferred tax liabilities that would otherwise arise following the enactment or substantive enactment of Pillar Two Model Rules legislation are not recognised in the financial statements in accordance with a mandatory exception to the Accounting Standards, as disclosed in Note 1(iv) *New Australian Accounting Standards and amendments to Australian Accounting Standards and interpretation that are effective in the current financial year.*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and liabilities are offset when there is a legally enforceable right to offset and an intention to either settle on a net basis or realise the asset and settle the liability simultaneously.

Current and deferred taxes attributable to amounts recognised in OCI are also recognised in OCI.

The Consolidated Entity exercises judgement in determining whether deferred tax assets, particularly in relation to tax losses, are probable of recovery.

Factors considered include the ability to offset tax losses within the tax consolidated group in Australia or groups of entities in overseas jurisdictions, the nature of the tax loss, the length of time that tax losses are eligible for carry forward to offset against future taxable profits and whether future taxable profits are expected to be sufficient to allow recovery of deferred tax assets.

The Consolidated Entity undertakes transactions in the ordinary course of business where the income tax treatment requires the exercise of judgement. The Consolidated Entity estimates the amount expected to be paid to/(recovered from) tax authorities based on its understanding and interpretation of the law.

Uncertain tax positions are presented as current or deferred tax assets or liabilities with reference to the nature of the underlying uncertainty.

Tax consolidation

The Consolidated Entity's Australian tax liabilities are determined according to tax consolidation legislation.

All eligible Australian resident wholly owned subsidiaries of Macquarie Group Limited (MGL, the Company's ultimate parent entity) comprise a tax consolidated group (TCG) with MGL as the head entity. As a consequence, the Company and the relevant subsidiaries are not liable to make income tax payments and do not recognise any current tax balances or any deferred tax assets arising from unused tax losses or credits.

The TCG recognises its current and deferred taxes using the 'group allocation approach' detailed in AASB UIG Interpretation 1052 *Tax Consolidation Accounting* (AASB Interpretation 1052). Under the terms and conditions of a tax funding agreement, MGL charges each subsidiary for all current tax liabilities incurred in respect of their activities and reimburses each subsidiary for any tax assets arising from unused tax losses. The tax funding agreement also allows for the transfer of tax balances between TCG entities as required. Where the recognition of a deferred tax balance in the transferee is precluded under AASB 112 *Income taxes*, the funding paid or received is accounted for in equity.

MGL's group allocation approach is based on a 'standalone taxpayer' approach as defined in AASB Interpretation 1052 which requires each subsidiary member to record income taxes as though they each continued to be a taxable entity in their own right. Modifications, such as the removal of the standalone tax effect of intra-group dividend income, are then made to this approach wherever it does not appropriately reflect the tax outcome to the TCG.

Should MGL be in default of its tax payment obligations, or a default is probable, the current tax balances of its subsidiaries will be determined in accordance with the terms and conditions of a tax sharing agreement between MGL and entities in the TCG.

In offshore jurisdictions, Macquarie's approach to Tax Consolidation follows the legislation applicable in each jurisdiction. Where applicable, joint filing obligations are performed for tax consolidated groups, with the head entity responsible for settling obligations with Revenue Authorities. Subsidiaries that are part of offshore TCGs are however still liable for income tax and therefore recognise current and deferred tax balances.

Goods and Services tax (GST)

Where an amount of GST (or other value added tax) is not recoverable from global tax authorities, it is either capitalised to the Statements of financial position as part of the cost of the related asset or is recognised as part of other operating expenses.

Where GST (or other value added tax) is recoverable from or payable to global tax authorities, the net amount is recorded as a separate asset or liability in the Statement of financial position.

Note 40

Material accounting policies continued

(vii) Financial instruments

Recognition of financial instruments

Financial instruments are recognised when the Consolidated Entity becomes a party to the contractual provisions of the instrument.

A financial instrument is initially recognised at fair value and is adjusted (in the case of instruments not classified at FVTPL) for transaction costs that are incremental and directly attributable to the acquisition or issuance of the financial instrument, and fees that are an integral part of the effective interest rate. Transaction costs and fees paid or received relating to financial instruments carried at FVTPL are recorded in the income statement.

The best evidence of a financial instrument's fair value at initial recognition is its transaction price, unless its fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique for which variables include only inputs 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 instrument 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 net trading income over the life of the transaction or when the inputs become observable.

Financial instruments arising in multiple transactions are accounted for as a single arrangement if this best reflects the substance of the arrangement. Factors considered in this assessment include whether the financial instruments:

- are entered into at the same time and in contemplation of one another
- have the same counterparty
- relate to the same risk
- there is no apparent economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction, or
- whether each of the financial instruments has its own terms and conditions and may be transferred or settled separately.

Derecognition of financial instruments

Financial assets

Financial assets are derecognised from the Statements of financial position when:

- the contractual rights to cash flows have expired, or
- the Consolidated Entity has transferred the financial asset and has transferred substantially all the risks and rewards of ownership of the financial asset.

A financial asset is transferred if, and only if, the Consolidated Entity:

- transfers the contractual rights to receive the cash flows of the financial asset, or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement where the Consolidated Entity is:
 - not obligated to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset
 - prohibited from selling or pledging the original asset other than as security to the eventual recipients, and
 - obligated to remit any cash flows it collects on behalf of the eventual recipients without material delay, generally considered to be within 3 months.

In transactions where the Consolidated Entity neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. Any interest in the transferred and derecognised financial asset that is created or retained by the Consolidated Entity is recognised as a separate asset or liability.

In transfers where control over the asset is retained, the Consolidated Entity continues to recognise the asset to the extent of its continuing involvement as determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial liabilities

Financial liabilities are derecognised from the Statements of financial position when the Consolidated Entity's obligation has been discharged, cancelled or has expired.

Gains and losses on the derecognition of debt financial assets and liabilities

Gains and losses arising from the derecognition of debt financial assets or financial liabilities are recognised in:

- net trading income in respect of trading-related settlement and receivable balances that are subsequently measured at amortised cost
- other income and charges as part of net other operating income and charges for all other debt financial assets and financial liabilities.

Financial guarantee contracts issued

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under AASB 9, and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of AASB 15 *Revenue from Contracts with Customers*.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 40

Material accounting policies continued

(vii) Financial instruments continued

Modification of financial instruments

A financial instrument is modified when its original contractual cash flows are renegotiated or modified.

A financial asset that is renegotiated or modified is derecognised if the rights to receive cash flows from the existing agreement have expired, either through replacement by a new agreement on substantially different terms or the existing terms are substantially modified. To determine whether the existing terms are substantially modified, both qualitative and quantitative factors may be considered. Qualitative factors would, for example, include a consideration of whether and to what extent the modification is driven by financial difficulties of the borrower or a commercial renegotiation to market rates, or whether the terms are modified such that the instrument no longer meets the SPPI requirements.

A financial liability that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms or if the existing terms are modified such that the modified financial liability is a substantially different financial instrument. The assessment on whether the terms are substantially different involves a quantitative analysis, with qualitative factors considered in certain circumstances. Where the modification results in derecognition of the original financial instrument, the new financial instrument is recorded initially at its fair value and the resulting difference is recognised in the income statement in accordance with the nature of the financial instrument as described in the derecognition of financial instruments policy.

For financial instruments measured at amortised cost, and for debt financial assets measured at FVOCI, when the modification does not result in derecognition, the gross carrying amount of the financial instrument is recalculated and a modification gain or loss is recognised in the income statement. The gain or loss is measured as the adjustment of the gross carrying amount to reflect the renegotiated or modified contractual cash flows, discounted at the instrument's original EIR.

Classification and subsequent measurement

Financial assets

Financial assets are classified based on the business model within which the asset is held and the characteristics of the financial asset's contractual cash flows.

Business model assessment

The Consolidated Entity uses judgement in determining the business model at the level that reflects how groups of financial assets are managed together to achieve a particular business objective. In determining the business model, all relevant evidence that is available at the date of the assessment is used including:

- how the performance of the business model and the financial assets held within that business model is evaluated and reported to the Consolidated Entity's Senior Management personnel and senior executives

- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected), and
- frequency, value, timing of and reasons for sales of assets in the portfolio and expectations about future sales activity.

Solely payment of principal and interest (SPPI)

The contractual cash flows of a financial asset are assessed to determine whether these represent SPPI on the principal amount outstanding, consistent with a basic lending arrangement. This includes an assessment of whether the cash flows primarily reflect consideration for the time value of money and credit risk of the principal outstanding. Interest may also include consideration for other basic lending risks and costs including a reasonable profit margin.

In assessing whether the contractual cash flows are SPPI, the Consolidated Entity considers the contractual terms of the instrument. This includes assessing whether the financial asset contains contractual terms that could change the timing or amount of contractual cash flows such that it would not meet the SPPI criteria. Such an assessment would consider, for example, the impact of any of the following features:

- contingent events that could change the amount and/or timing of cash flows;
- leverage features that could change the economic characteristics of principal and interest cash flows introducing volatility inconsistent with a basic lending arrangement;
- prepayment features, to determine whether the amount due on early repayment substantially represents unpaid amounts of principal and accrued interest which may include reasonable compensation for the early termination of the contract; and
- terms that limit the Consolidated Entity's claim to cash flows from specified assets - for example, through non-recourse or limited recourse arrangements - in a way that is inconsistent with a basic lending arrangement.

Amortised cost

A financial asset is subsequently measured at amortised cost using the EIR method where:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows,
- the contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI requirements, and
- the financial asset has not been classified as DFVTPL.

Interest income is determined in accordance with the EIR method and recognised as part of interest and similar income.

Note 40

Material accounting policies continued

(vii) Financial instruments continued

Fair value through other comprehensive income

A financial asset is subsequently measured at FVOCI if the following conditions are met:

- the financial asset is held within a business model whose objective is to both collect contractual cash flows and to sell the financial assets
- the contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI requirements
- the financial asset has not been classified as DFVTPL.

Subsequent changes in fair value are recognised in OCI, with the exception of interest (which is recognised as part of interest income), ECL (which is recognised in credit and other impairment charges/reversal) and foreign exchange gains and losses (which are recognised in net trading income) and is net of any related hedge accounting adjustments. When debt financial assets classified as at FVOCI are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to investment income in respect of debt financial investments and loans to associates, or to other income and charges as part of net other operating income and charges for all other debt financial assets.

Fair value through profit or loss

Financial assets that do not meet the criteria to be measured at amortised cost or FVOCI are subsequently measured at FVTPL. For the purposes of the Consolidated Entity's financial statements, the FVTPL classification consists of the following:

- financial assets that are held for active trading or held as part of a portfolio that is managed together with short-term profit or position taking (held for trading (HFT)). This classification includes all derivative financial assets, except those that are designated as hedging instruments in qualifying hedge relationships and are classified as FVTPL
- financial assets in a business model whose objective is achieved by managing the financial assets on a fair value basis in order to realise gains and losses as opposed to a business model in which the objective is to collect contractual cash flows (FVTPL)
- financial assets that fail the SPPI test (FVTPL), and
- financial assets that have been designated to be measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch (DFVTPL).

Equity financial assets that are not held for active trading are measured at FVTPL. Subsequent changes in fair value are recognised as investment income within net other operating income and charges.

Subsequent changes in the fair value of debt financial assets measured at FVTPL are presented as follows:

- changes in the fair value of financial assets that are classified as HFT and financial assets managed on a fair value basis are recognised in net trading income
- changes in the fair value of debt financial investments and loans to associates and joint ventures that fail SPPI are recognised in investment income as part of net other operating income and charges
- changes in the fair value of all other FVTPL and DFVTPL financial assets are recognised as part of other income and charges within net other operating income and charges.

Where applicable, the interest component of these financial assets is recognised as interest and similar income.

Financial liabilities

All derivative financial liabilities are classified as HFT, except those that are designated as hedging instruments in qualifying hedge relationships and are classified as FVTPL. Refer to Note 40(x) *Derivative instruments and hedging activities* for the detailed hedge accounting policy.

Changes in the fair value of financial liabilities that are not classified as HFT, with the exception of changes relating to the Consolidated Entity's own credit risk, are recognised in net trading income, or other income and charges as part of net other operating income and charges, depending on the nature of the underlying transaction. Changes in fair value relating to changes in the Consolidated Entity's own credit risk are presented separately in OCI and are not subsequently reclassified to profit or loss.

Where applicable, the interest component of these financial liabilities is recognised as interest and similar expense.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the Statements of financial position, when there is a current legally enforceable right to offset the amounts and there is an intention to settle on a net basis or realise the financial asset and settle the financial liability simultaneously.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 40

Material accounting policies continued

(viii) Cash collateral on securities borrowed and lent and repurchase and reverse repurchase agreements

As part of its trading, financing and liquidity management activities, the Consolidated Entity borrows and lends securities, commodities and other assets (the underlying) on a collateralised basis. The underlying that is subject to the arrangement is not derecognised from the Statements of financial position of the relevant parties, as the risks and rewards of ownership remain with the initial holder.

These transactions include:

- reverse repurchase transactions, where the Consolidated Entity purchases an underlying under an agreement to resell
- repurchase transactions, where the Consolidated Entity sells an underlying under an agreement to repurchase.

The Consolidated Entity continually reviews the fair values of the underlying on which the above transactions are based and where appropriate, requests or provides additional collateral to support the transactions, in accordance with the terms of the respective agreements.

Reverse repurchase agreements are subsequently measured as follows by the Consolidated Entity:

- agreements that are collateralised with commodities are measured at amortised cost when they are held in a business model to collect contractual cash flows and AASB 9's SPPI criteria are met
- agreements that are held within the Consolidated Entity's cash and liquid assets portfolio are measured at FVOCI as they are held in a business model to both collect contractual cash flows and with the intention to sell
- all other reverse repurchase agreements are measured at FVTPL to reflect the Consolidated Entity's business model to realise fair value gains and losses as opposed to a business model in which the objective is to collect contractual cash flows.

Also refer to Note 34 *Measurement categories of financial instruments*.

Repurchase agreements are subsequently measured at amortised cost, except where they are DFVTPL to eliminate an accounting mismatch created by managing the agreements together with the associated reverse repurchase agreements that are measured at FVTPL.

(ix) Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the Consolidated Entity acquires or incurs principally for the purpose of selling or repurchasing in the near term, or held as part of a portfolio that is managed together with short-term profit or position taking.

The Consolidated Entity uses trade date accounting when recording regular way purchases and sales of financial assets and liabilities that are classified as HFT. At the date a purchase transaction is entered into (trade date), the Consolidated Entity recognises the resulting financial asset or liability and any subsequent unrealised gain or loss arising from revaluing that contract to fair value as part of net trading income, except for interest income on HFT debt financial assets which is recognised in interest income. Refer to Note 40(vii) *Financial instruments*.

Trading assets (long positions) comprise financial instruments such as debt and equity securities, bank bills, treasury notes, and loans, commodity contracts and commodities purchased with the intent of being actively traded either individually or as part of a portfolio.

Trading liabilities comprise obligations to deliver assets (short positions) across the same trading categories and which the Consolidated Entity intends to actively trade.

Commodity inventory is recognised when the Consolidated Entity controls the commodity, the determination of which includes consideration of price risk. Commodity inventory is measured at fair value less costs to sell in accordance with the broker-trader exemption, on the basis that such assets are held with the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margin. Commodity contracts reflect agreements for the purchase and sale of commodities where, despite the Consolidated Entity having control over the commodity, the Consolidated Entity has no intention to exercise its control, and where the expected outcome is that the commodity will be sold back to the initial holder or sold on to the intended acquirer (in the case of intermediary trades). Such contracts are measured at FVTPL.

Emission certificates and similar contracts that are held for sale in the ordinary course of business are presented as commodities within trading assets and liabilities and are measured at fair value less costs to sell in accordance with the broker-trader exemption (on the basis that such assets are held with the purpose of selling in the near future and generating a profit from fluctuations in price or broker traders' margin).

When the Consolidated Entity becomes party to a sale contract, and the derecognition criteria are met (refer to Note 40(vii) *Financial instruments*), it derecognises the trading asset or liability and recognises a trade receivable or trade payable from trade date until settlement date.

Note 40

Material accounting policies continued

(x) Derivative instruments and hedging activities

Derivative instruments entered into by the Consolidated Entity include futures, forwards and forward rate agreements, swaps and options in the interest rate, foreign exchange, commodity, credit and equity markets. These derivative instruments are principally used by the Consolidated Entity for the purposes of risk management of existing assets and liabilities and forecast transactions and are also entered into for client trading purposes.

Derivatives are recognised in the Statements of financial position as an asset where they have a positive fair value at the reporting date or as a liability where they have a negative fair value at the reporting date.

Derivatives that may have both positive or negative values must meet both the asset and liability derecognition tests before being derecognised from the Statements of financial position.

Fair values are obtained from quoted prices in active markets where available, or valuation techniques including discounted cash flow models and option pricing models, as appropriate. The accounting for derivatives is subject to the application of the day 1 profit or loss policy as described in Note 40(vii) *Financial instruments*.

The Consolidated Entity applies trade date accounting to the recognition and derecognition of derivative financial instruments.

Hedge accounting

As part of its ongoing business, the Consolidated Entity is exposed to several financial risks, principally that of interest rate, foreign exchange and commodity price risks (collectively referred to as the hedged risk or exposure). The Consolidated Entity has limited appetite for such risks and has policies and practices in place to ensure that these risks are effectively managed. The Consolidated Entity mitigates these risks through the use of derivative financial instruments, and, in the case of foreign exchange risk, foreign-denominated debt issued (collectively referred to as hedging instruments). The Consolidated Entity applies hedge accounting to manage accounting mismatches arising from the difference in measurement bases or location of the gains and losses recognised between the exposure that is being hedged and the hedging instrument. Refer to details provided in the table on the following page.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 40

Material accounting policies continued

(x) Derivative instruments and hedging activities continued

	Fair value hedge	Cash flow hedge	Net investment hedge
Nature of hedge	The hedge of the change in fair value of a recognised asset or liability.	The hedge of the change in cash flows of a financial asset or liability or a highly probable forecast transaction.	The hedge of changes in the Consolidated Entity's foreign denominated net assets for changes in foreign currency rates.
Nature of material hedged risks	<ul style="list-style-type: none"> Interest rate risk Commodity price risk Foreign exchange risk.¹ 	<ul style="list-style-type: none"> Interest rate risk Foreign exchange risk. 	<ul style="list-style-type: none"> Foreign exchange risk.
Material hedged items	<ul style="list-style-type: none"> Fixed interest rate financial assets and liabilities Property, Plant and Equipment Investment in subsidiaries.¹ 	<ul style="list-style-type: none"> Floating interest rate financial assets or liabilities Highly probable forecast floating interest rate financial liabilities Highly probable forecast foreign currency payments and receipts Foreign currency denominated interest bearing financial liabilities. 	<ul style="list-style-type: none"> Net investment in foreign operations.
Material hedging instruments	<ul style="list-style-type: none"> Interest rate swaps Basis swaps Cross currency swaps Commodity derivatives Foreign exchange forwards Foreign currency denominated borrowings.¹ 	<ul style="list-style-type: none"> Interest rate swaps Cross currency swaps Foreign currency denominated borrowings. 	<ul style="list-style-type: none"> Foreign exchange contracts Foreign currency denominated issued debt.
Designation and documentation	At inception of the hedge relationship, documentation is required of the risk management objective and strategy for the hedge, the hedging instrument, hedged item, hedged risk and how the hedge relationship will meet the hedge effectiveness requirements.		
Hedge effectiveness method	<p>All hedge relationships are assessed for prospective hedge effectiveness both at the inception of the hedge, at each reporting period and following any significant change in circumstances affecting the hedge, by demonstrating that:</p> <ul style="list-style-type: none"> an economic relationship exists between the hedged item and the hedging instrument credit risk does not dominate the changes in value of either the hedged item or the hedging instrument the hedge ratio is reflective of the Consolidated Entity's risk management approach. <p>The hedge effectiveness assessment is performed by a combination of qualitative and, where applicable, quantitative assessments. Changes in the hedge ratio, or rebalancing, may be required to adjust the designated quantities of either the hedged item or the hedging instrument.</p>		
Accounting treatment for the hedging instrument	Fair value through the income statement, aligned to the presentation of the hedged item.	Fair value through the cash flow hedge reserve as part of OCI, and then recognised in the income statement at the time at which the hedged item affects the income statement for the hedged risk.	Foreign exchange gains and losses are recognised in the Net Investment Hedge Reserve (NIHR), a separate component of FCTR in OCI.
Accounting treatment for the hedged item	Adjustments to the carrying value are recognised in the income statement for changes in fair value attributable to the hedged risk.	Accounted for on an amortised cost basis.	Foreign exchange gains and losses are recognised in the Consolidated Entity's foreign currency translation reserve as part of OCI.

¹ The Company designates selected hedge accounting relationships that only meet the qualifying criteria for hedge accounting in the Company financial statements (but not the Consolidated Entity).

Note 40

Material accounting policies continued

(x) Derivative instruments and hedging activities continued

	Fair value hedge	Cash flow hedge	Net investment hedge
Accounting treatment for hedge ineffectiveness	Recognised as part of net trading income in the income statement to the extent that changes in fair value of the hedged item attributable to the hedged risk are not offset by changes in fair value of the hedging instrument.	Recognised as part of net trading income in the income statement to the extent to which changes in the fair value of the hedging instrument exceed, in absolute terms, the change in the fair value of the hedged item.	
Accounting treatment if the hedge relationship is discontinued	Where the hedged item still exists and is a financial instrument carried at amortised cost, adjustments to the hedged item are amortised to the income statement on an EIR basis. For non-financial items, the adjustment continues as part of the carrying value of the asset up until it is recovered through use or sale, or the item becomes impaired.	The gain or loss remains in the cash flow hedge reserve to the extent that the hedged cash flows are still expected to take place and subsequently recognised in the income statement at the time at which the hedged item affects the income statement for the hedged risk. Where the hedged cash flows are no longer expected to take place, the gain or loss in the cash flow hedge reserve is recognised immediately in the income statement.	The exchange gains or losses recognised in the NIHR within FCTR are reclassified to the income statement or reattributed within equity as follows: <ul style="list-style-type: none"> if the hedge is discontinued due to a disposal of the hedged foreign operation, then the accumulated NIHR is reclassified from OCI to investment income within net other operating income and charges if there is a partial disposal of a foreign operation that is an associate or joint arrangement, without loss of significant influence or joint control, then a proportionate share of the accumulated NIHR is reclassified to investment income if there is a partial disposal of a foreign operation that is a subsidiary, without loss of control, then a proportionate share of the accumulated NIHR is reattributed within equity to non-controlling interests.
Other accounting policies	Certain components of the hedging instrument such as the forward element of a forward contract, the time value of an option and the foreign currency basis spread (being the liquidity charge for exchanging different currencies), may be excluded from the hedge designation. These elements are deferred in the cost of hedging reserve and released to the income statement either at the time at which the hedged exposure affects the income statement, or on a systematic basis over the life of the hedge.		

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 40

Material accounting policies continued

(xi) Margin money and settlement assets and liabilities

Margin money and settlement assets and liabilities includes trade settlement balances, margin monies and balances with clearing houses. Margin monies primarily represent deposits placed with clearing houses in relation to futures trading and other derivatives transactions. The balance includes both initial and variation margin which varies based on trading activities. The balance also includes client margin calls which are funded by the Consolidated Entity. Settlement balances represent outstanding trade timing balances as at the reporting date due to the timing difference between trade and settlement date. Balances are carried at amortised cost except for certain margin money and certain settlement balances which are carried at FVTPL.

(xii) Financial investments

Investment securities in this category include investments in equity or debt securities which are not actively traded by the Consolidated Entity.

Debt investment securities in this category comprise liquid asset holdings, bonds, money markets and other debt securities.

Financial investments are initially recognised on trade date at fair value (adjusted for directly attributable transaction costs for debt investments subsequently measured at amortised cost or FVOCI) and subsequently measured in accordance with Note 40(vii) *Financial instruments*.

(xiii) Loan assets

This category includes loans that are not held for trading purposes and typically includes the Consolidated Entity's lending activities to its customers.

Loan assets are initially recognised on settlement date at fair value (adjusted for directly attributable transaction costs for loan assets subsequently measured at amortised cost or FVOCI) and subsequently measured in accordance with Note 40(vii) *Financial instruments*.

Certain finance lease receivables are also presented as part of asset financing within loan assets. For the detailed policy on financial instruments, including treatment of derecognition, refer to Note 40(vii) *Financial instruments*.

(xiv) Property, plant and equipment and right-of-use assets

Property, plant and equipment are stated at historical cost (which includes, where applicable, directly attributable borrowing costs and expenditure directly attributable to the acquisition of the asset) less, accumulated depreciation and, where applicable, accumulated impairment losses.

Right-of-use (ROU) assets are initially measured at cost and comprise of the amount that corresponds to the amount recognised for the lease liability on initial recognition together with any lease payments made at or before the commencement date (less any lease incentives received), initial direct costs and restoration-related costs. Subsequently, it is stated at historical cost less accumulated depreciation and, where applicable, impairment losses, and adjusted for remeasurement of lease liabilities.

Property, plant and equipment and right-of-use assets includes assets leased out under operating leases.

Depreciation is the process to allocate the difference between cost and residual values over the estimated useful life. Where the residual value exceeds the carrying value, no depreciation is charged. Depreciation is calculated on a straight-line basis.

A ROU asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Annual depreciation rates are summarised below:

Property, plant and equipment	Depreciation rates
Buildings	2.5 to 3.3%
Furniture, fittings and leasehold improvements ¹	10 to 20%
Equipment	33%
Meters	5 to 15%
Telecommunications	24%
Equipment and other operating lease assets	10 to 22%

Useful lives, residual values and depreciation methods are reviewed annually and reassessed in the light of commercial and technological developments. Gains and losses on disposal are determined by comparing the proceeds with the asset's carrying amount and are recognised in other income as part of net other operating income and charges.

The depreciation charge is recognised as part of:

- net operating lease income for assets given on operating lease
- occupancy expenses for corporate buildings, furniture, fittings and leasehold improvements
- non-salary technology expenses for technology assets
- net trading income for depreciation relating to leased assets held by trading related businesses for the purpose of facilitating trading activities
- other operating expenses for all other assets.

The Consolidated Entity does not recognise a ROU asset for short-term or low value leases, instead the expense is recognised over the lease term as appropriate as part of operating expenses.

¹ Where lease terms are less than five years, leasehold improvements are depreciated over the remaining lease term.

Note 40

Material accounting policies continued

(xv) Other identifiable intangible assets

Other acquired identifiable intangible assets

At the time at which the Consolidated Entity determines that it has acquired a business, the Consolidated Entity identifies intangible assets that are required to be initially recognised at fair value. An intangible asset is considered to have an indefinite useful life where it is expected to contribute to the Consolidated Entity's net cash inflows indefinitely.

The following intangible assets are typically identified and recognised by the Consolidated Entity:

- licences and trading rights: generally carried at cost less accumulated impairment loss. Where no contractual or legal limitation exists, these assets are not amortised because they are considered to have an indefinite useful life
- customer and servicing contracts acquired with a finite useful life: carried at cost less accumulated amortisation and accumulated impairment loss. Amortisation is calculated over the period for which the customer relationship is expected to exist
- customer and servicing contracts with an indefinite useful life: carried at cost less accumulated impairment loss.

Amortisation of intangible assets held by trading related business is recorded in net trading income and for others is recognised in other operating expenses. Impairments (reversal of impairments) of intangible assets are recognised in other impairment charges/reversal.

Emission certificates and similar contracts that are not held for sale in the ordinary course of business are classified as intangible assets and measured at cost less accumulated impairment.

Software

Certain internal and external costs directly incurred in acquiring and developing certain computer software programmes are capitalised and amortised over the estimated useful life, usually a period of three to seven years on a straight-line basis. The capitalised software asset is subject to impairment testing on an annual basis.

Costs incurred on the maintenance of software is expensed as incurred and recognised in other operating expenses.

(xvi) Deposits

Deposits include customer deposits, business banking and home loan related deposits, deposits from financial institutions and other balances such as client monies. These deposits are initially recognised at fair value less directly attributable transaction costs and are subsequently measured at amortised cost. The Consolidated Entity presents assets and liabilities in the statement of financial position in the order of liquidity, with reference to contractual maturity. Some deposits include repayment features subject to notice and for the purposes of presentation and disclosure, are treated as if notice were given immediately. This generally does not reflect the behaviour of the expected cash flows as evidenced by the Consolidated Entity's deposit retention history.

(xvii) Other assets and liabilities

Contract assets, contract liabilities and capitalised expenses

Where the Consolidated Entity provides services to clients and the consideration is unconditional, a receivable is recognised.

Receivables are assessed for impairment in accordance with AASB 9. Commodity-related receivables are accounted for in accordance with Note 40 (vii) *Financial Instruments*.

The Consolidated Entity, as permitted by AASB 15, has applied the practical expedient that allows for costs incurred to obtain a contract to be expensed as incurred where the amortisation period for any asset recognised would be less than 12 months. The Consolidated Entity also applies the practical expedient not to adjust consideration for the effects of a significant financing component, where the period between transferring a good or service and when the customer pays for that good or service is expected to be one year or less.

Contract liabilities relate to prepayments received from customers where the Consolidated Entity is yet to satisfy its performance obligation.

Non-current assets and liabilities of disposal groups classified as held for sale

This category includes non-current assets and disposal groups (groups of assets and directly associated liabilities to be disposed in a single transaction) for which the carrying amount will be recovered principally through a sale or distribution transaction rather than continuing use. This line includes assets and liabilities of businesses and subsidiaries, investments in associates and joint ventures, other assets and liabilities, and subsidiaries that are acquired exclusively with a view to sell or distribute.

These non-current assets and disposal groups are classified as held for sale when they are available for immediate sale in their present condition, the sale or distribution is highly probable and is expected to occur within 12 months. Where there is a planned partial disposal of a subsidiary resulting in loss of control, but the Consolidated Entity retains an interest in the disposed subsidiary, the entire disposal group is classified as held for sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Equity accounting, depreciation and amortisation is suspended when the held for sale criteria are met.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 40

Material accounting policies continued

(xvii) Other assets and liabilities continued

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell and is recognised in other impairment charges/reversal. A gain is recognised for any subsequent increase in fair value less costs to sell, limited to the cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale is recognised at the date of sale.

Financial assets and liabilities that are classified as held for sale are measured in accordance with the Consolidated Entity's financial instruments' policies.

Provisions, contingent liabilities and commitments

A provision is a liability of uncertain timing or amount. Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a present legal or constructive obligation that has arisen as a result of past events and for which a reliable estimate can be made.

Contingent liabilities are either possible obligations whose existence will be confirmed only by uncertain future events not wholly within the control of the Consolidated Entity, or are present obligations where an outflow of economic resources is not probable or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed unless an outflow of economic resources is remote. Contingent liabilities generally include performance-related contingencies and certain types of letters of credit and guarantees.

Credit related commitments are the Consolidated Entity's firm commitments to provide credit facilities under pre-specified terms and conditions. These generally include loan commitments, financial guarantee contracts and certain types of letters of credit. Such contracts are recognised in the Statements of financial position only when drawn upon, and may expire without being called. Credit related commitments are subject to expected credit loss requirements disclosed in Note 13 *Expected Credit Loss*.

Contingent liabilities and commitments are disclosed in Note 30 *Contingent liabilities and commitments*.

Employee benefit provisions

Employee benefit provisions are recognised by the Consolidated Entity as and when the service has been rendered after deducting amounts already paid.

Liabilities for unpaid salaries, salary-related costs and provisions for annual leave are recorded in the Statements of financial position at the salary rates which are expected to be paid when the liability is settled. Provisions for long service leave and other long-term benefits are recognised at the present value of expected future payments to be made.

In determining this amount, consideration is given to expected future salary levels and employee service histories. Expected future payments are discounted to their net present value using discount rates on high quality corporate bonds, except where there is no deep market, in which case rates on Government securities are used. Such discount rates have terms that match as closely as possible the expected future cash flows.

Provisions for unpaid employee benefits are derecognised when the benefit is settled or is transferred to another entity and the Company and Consolidated Entity are legally released from the obligation and do not retain a constructive obligation.

Dividends

Where a dividend is declared by the Company's Board of Directors, the provision for the dividend is recognised in the Statements of financial position as a liability, with a corresponding reduction in retained earnings, on the declaration date. Where the Company's Board of Directors determine or resolve to pay a dividend, the liability and the corresponding reduction in retained earnings is recognised on the payment date.

(xviii) Issued debt securities and other borrowings

Issued debt securities and other borrowings include debt securities issued by the Consolidated Entity, loans and other payables to banks and financial and non-financial institutions.

These balances are:

- initially recognised at fair value less directly attributable transaction costs and subsequently measured at amortised cost, or
- when DFVTPL, initially recognised and subsequently measured at fair value in accordance with the Consolidated Entity's accounting policy for financial instruments, refer to Note 40(vii) *Financial instruments*.

(xix) Due to/from other Macquarie Group entities and subsidiaries

Transactions between the Consolidated Entity and other Macquarie Group entities under common control of MGL and between the Company and its subsidiaries, principally arise from the provision of banking and other financial services, lending arrangements, acceptance of funds on deposit, the provision of management and administration services, facilities and accommodation and the provision of financial guarantees. The provision of intercompany services and transactions are accounted for in accordance with Note 40(iv) *Revenue and expense recognition* where they are transacted in a principal capacity. Financial assets, financial liabilities and financial guarantee contracts are accounted for in accordance with Note 40(vii) *Financial instruments*. Financial assets and financial liabilities are presented net where the offsetting requirements are met, such that the net amount is reported in the Statements of financial position.

Note 40

Material accounting policies continued

(xx) Loan capital

Loan capital represents issued debt with terms and conditions that qualify for inclusion as capital under Australian Prudential Regulation Authority (APRA) Standards.

Capital instruments are first assessed to determine whether the Consolidated Entity is required to deliver cash or another financial asset on the occurrence of a contingent event that is considered genuine and beyond the control of both the issuer and the holder (such as Common Equity Tier 1 Trigger Events or Non-Viability Trigger Events). Where such a contingent event exists, then the Consolidated Entity does not have the unconditional right to avoid delivering cash or another financial asset and the capital instrument is classified as a financial liability.

The financial liability is initially measured at fair value plus directly attributable transaction costs and is subsequently measured at amortised cost.

For compound instruments that have both equity and liability features, the liability component is initially measured at fair value plus directly attributable transaction costs (and is thereafter measured at amortised cost using the EIR method), with the residual being accounted for within the Consolidated Entity's equity.

(xxi) Impairment

Expected credit losses

The ECL requirements apply to financial assets measured at amortised cost or FVOCI, lease receivables, receivables from contracts with customers, loan commitments, certain letters of credit and financial guarantee contracts issued that are not DFVTPL. The Consolidated Entity applies a three-stage approach to measuring the ECL based on changes in the financial asset's underlying credit risk and includes forward looking information (FLI).

ECL is measured as the product of probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The calculation of ECL requires judgement and the choice of inputs, estimates and assumptions. Refer to Note 12 *Expected credit losses* for further information. Outcomes within the next financial period that are different from management's assumptions and estimates could result in changes to the timing and amount of ECL to be recognised.

The ECL is determined with reference to the following stages:

(i) Stage I - 12 month ECL

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

(ii) Stage II - Not credit-impaired

When there has been a SICR since initial recognition, the ECL is determined with reference to the financial asset's lifetime PD adjusted for FLI. The Consolidated Entity exercises judgement in determining whether there has been a SICR since initial recognition based on qualitative, quantitative, and reasonable and supportable information that includes FLI. Detail on the Consolidated Entity's process to determine whether there has been a SICR is provided in Note 12 *Expected credit losses*.

Use of alternative criteria could result in significant changes to the timing and amount of ECL to be recognised. Lifetime ECL is generally determined based upon the contractual maturity adjusted, where appropriate, for prepayments, extension, call and similar options, of the financial asset. For revolving facilities, the Consolidated Entity exercises judgement based on the behavioural, rather than contractual characteristics of the facility type. Stage II may include financial assets where the credit risk has improved and has been reclassified from Stage III.

(iii) Stage III - Credit-impaired

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

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

Presentation of ECL allowances

The ECL allowances are presented in the Statements of financial position as follows:

- loan assets, loans to other Macquarie Group entities and subsidiaries, associates and joint ventures measured at amortised cost – as a deduction to the gross carrying amount
- loan assets, loans to associates and joint ventures, and debt financial investments measured at FVOCI – as a reduction in the FVOCI reserve within equity. The carrying amount of the asset is not adjusted as it is measured at fair value
- lease receivables, contract receivables and other assets measured at amortised cost – as a deduction to the gross carrying amount
- undrawn credit commitments and financial guarantees issued (not measured at FVTPL) – as a provision included in other liabilities.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 40

Material accounting policies continued

(xxi) Impairment continued

When the Consolidated Entity concludes that there is no reasonable expectation of recovering cash flows from the financial asset, and all possible collateral has been realised, the financial asset is written off, either partially or in full, against the related provision. Recoveries of loans previously written off are recorded based on the cash received.

Impairment of interests in associates and joint ventures

The Consolidated Entity performs an assessment at each reporting date to determine whether there is any objective evidence that its interests in associates or joint ventures are impaired. The main indicators of impairment are significant changes with an adverse effect that have taken place in the technological market, economic or legal environment and a significant or prolonged decline in fair value below cost.

In making this judgement, the Consolidated Entity evaluates, among other factors, the normal volatility in share price and the period of time for which fair value has been below cost. If there is an indication that an investment in an associate or joint venture may be impaired, then the entire carrying amount of the investment in the associate or joint venture is tested for impairment by comparing the recoverable amount, being the higher of fair value less costs to sell and value-in-use, with its carrying amount.

Impairment losses recognised in the income statement for investments in associates and joint ventures are subsequently reversed through the income statement if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was recognised. The impairment losses (reversal of impairments) on investments in associates and joint ventures are recognised in the income statement as part of other impairment charges/reversal.

Fair value less costs to sell is estimated using market-based approaches using revenues, earnings and assets under management and multiples based on companies deemed comparable as well as other publicly available information relevant to the business.

Value-in-use is calculated using pre-tax cashflow projections of operating revenue and expenses. Forecasts are extrapolated using a growth rate and discounted using a pre-tax discount rate incorporating market risk determinants, adjusted for specific risks related to the cash generating units, if any, and the environment in which it operates.

Impairment of investments in subsidiaries

Investments in subsidiaries in the Company's financial statements are reviewed annually for indicators of impairment or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognised in other impairment charges/reversal for the amount by which the investment's carrying amount exceeds its recoverable amount, being the higher of fair value less costs to sell and value-in-use. At each reporting date, investments in subsidiaries that have been impaired are reviewed for possible reversal of impairment. The amount of any reversal of impairment recognised must not cause the investment's carrying value to exceed its original cost.

Impairment of other non-financial assets including cash-generating units

Intangible assets with indefinite lives (goodwill and certain intangible assets) are not subject to amortisation but are tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable.

For intangible assets that have a finite useful life, as well as property, plant and equipment and ROU assets, an assessment is made at each reporting date to determine whether there is any indication of impairment.

Impairment losses are recognised in other impairment charges as part of net other operating income and charges for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value-in-use.

For the purposes of assessing impairment, non-financial assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Intangible assets (other than goodwill) for which an impairment loss has been recognised are reviewed for possible reversal of the impairment at each reporting date. A reversal is recognised only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised for the asset in prior years.

(xxii) Performance based remuneration

Employee equity participation

The ultimate parent company, MGL operates share-based compensation plans, which include awards (including those delivered through the Macquarie Group Employee Retained Equity Plan (MEREP)) granted to employees under share acquisition plans. Information relating to these schemes is set out in Note 29 *Employee equity participation*.

Note 40

Material accounting policies continued

(xxii) Performance based remuneration continued

The Consolidated Entity accounts for its share-based payments as follows:

Equity settled awards: The awards are measured at their grant date fair value and based on the number of equity instruments expected to vest. Expenses are recognised as part of employment expenses with reference to the vesting period of those awards. To the extent that the Consolidated Entity or the Company does not compensate the ultimate parent for MEREP awards offered to its employees, a corresponding credit is recognised in contributed equity. To the extent the amount is paid in advance by the Consolidated Entity or Company, a receivable due from the ultimate parent is recognised. The receivable is systematically reduced with reference to the vesting period of those awards, via an adjustment to contributed equity.

To the extent the amount is paid after the fact by the Consolidated Entity or Company, a payable due to the ultimate parent is recognised by the Consolidated Entity or Company on a cumulative basis over the vesting period. The amount recognised as a payable each period is equivalent to the amount expensed during the period relating to the awards, less any amounts already paid to the ultimate parent by the Consolidated Entity or the Company. MEREP receivable and payable amounts are recognised and disclosed in Note 27 Related party information.

Performance hurdles attached to Performance Share Units (PSUs) under the MEREP are not taken into account when determining the fair value of the PSUs at the grant date. Instead, these vesting conditions are taken into account by adjusting the number of equity instruments expected to vest.

Cash settled awards: The awards are measured at their grant date fair value and based on the number of instruments expected to vest. Expenses are recognised as part of employment expenses with reference to vesting period of those awards which are settled in cash. The award liability is measured with reference to the number of awards and the fair value of those awards at each reporting date. Changes in the award liability due to movements in the share price at reporting date are recognised in the ultimate parent entity.

Profit share remuneration

The Consolidated Entity recognises a liability and an expense for profit share remuneration to be paid in cash with reference to the performance period to which the profit share relates.

(xxiii) Leases

At the inception of a contract, the Consolidated Entity assesses whether a contract is, or contains, a lease. At inception, or on reassessment of a contract that contains a lease component, the Consolidated Entity allocates the consideration in the contract to each lease component unless an election is made to account for the lease and non-lease components as a single lease component.

(i) Accounting where the Consolidated Entity is the lessee

The Consolidated Entity leases office premises, commodity storage facilities, technology and other equipment for which contracts are typically entered into for fixed periods of 12 months to 15 years and may include extension options. Leases are recognised as an ROU asset (as explained in Note 40(xiv) *Property, plant and equipment and right-of-use assets*) and a corresponding liability at the commencement date, being the date the leased asset is available for use by the Consolidated Entity.

Lease liability

Lease liabilities are initially measured at the present value of the future lease payments at the commencement date, discounted using the interest rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate). Lease payments are allocated between principal and interest expense.

Interest expense is, unless capitalised on a qualifying asset which is not measured at fair value, recognised as part of interest and similar expense over the lease period on the remaining lease liability balance for each period. Any variable lease payments not included in the measurement of the lease liability are also recognised in the income statement in the period in which the event or condition that triggers those payments occurs.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in lease term, an assessment of an option to purchase the underlying asset, an index or rate, or a change in the estimated amount payable under a residual value guarantee.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying value of the ROU asset, or, in the income statement, where the carrying value of the ROU asset has been reduced to zero.

Presentation

The Consolidated Entity presents ROU assets in Property, plant and equipment and right-of-use assets (refer to Note 13) and lease liabilities in Other liabilities (refer to Note 20) in the Statements of financial position.

(ii) Accounting where the Consolidated Entity is a lessor

Leases where the lessee has substantially all the risks and rewards incidental to ownership of the leased assets are classified as finance leases. All other leases are classified as operating leases.

Finance lease

Where finance leases are granted to third parties, the present value of the minimum lease payments plus an estimate of the value of any unguaranteed residual value is recognised as a receivable and included in loan assets.

Interest income is recognised over the term of the lease using the EIR method, which reflects a constant rate of return. Finance lease income is presented within interest and similar income in the income statement.

Notes to the financial statements

For the financial year ended 31 March 2025 continued

Note 40

Material accounting policies continued

(xxiii) Leases continued

Operating lease

Where the Consolidated Entity is the lessor under an operating lease, the underlying asset is carried at cost and depreciated over its useful life in accordance with the rates specified in Note 40(xiv) *Property, plant and equipment and right-of-use assets*. Operating lease income is recognised on a straight-line basis over the period of the lease unless another systematic basis is more appropriate. Assets leased out under operating leases are included in property, plant and equipment and right-of-use assets.

When the Consolidated Entity is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. The lease classification of the sublease is determined with reference to the ROU asset arising from the head lease.

(xxiv) Contributed equity

Ordinary shares and other similar instruments are classified as equity. Incremental costs directly attributable to the issue of new shares are recorded in equity as a deduction, net of tax, from the issue proceeds.

(xxv) Fiduciary assets and client money

The Consolidated Entity engages in trust, fund or other fiduciary activities as well as certain brokerage and other trading-related activities that result in the holding or placing of assets on behalf of third parties. Where such assets are controlled, and future economic benefits are expected to be realised by the Consolidated Entity, such assets and the income thereon are reflected in the Statements of financial position and income statement respectively.

Where this is not the case, these assets and the income thereon are excluded from the Consolidated Entity's financial statements as they are not the assets of the Consolidated Entity. Fee income earned by the Consolidated Entity relating to its responsibilities from fiduciary and brokerage and other trading-related activities is included as part of fee and commission income.

(xxvi) Cash and bank balances

Cash and bank balances includes currency on hand, demand deposits and short-term balances with Central and other banks including unallocated precious metal balances. These balances are subsequently measured at amortised cost, except unallocated precious metals which are held at FVTPL.

(xxvii) Cash and cash equivalents

Cash and cash equivalents comprise of cash and bank balances (except unallocated precious metal balances) as well as certain liquid financial investments and non-trading reverse repurchase agreements that have a contractual maturity of three months or less from the date of acquisition and which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are available to meet the Consolidated Entity's short-term cash commitments. Cash and cash equivalents exclude margin money balances, trading assets and certain client-related balances which are segregated from the Consolidated Entity's own funds and are thus restricted from use.

(xxviii) Comparatives

Where necessary, comparative information has been re-presented to conform to changes in presentation in the current year.

(xxix) Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191*, amounts in the Directors' Report and Financial Report have been rounded off to the nearest million Australian dollars unless otherwise indicated.

Consolidated Entity disclosure statement

Basis of Preparation

The Consolidated Entity Disclosure Statement has been prepared in accordance with subsection 295(3A) of the *Corporations Act 2001* (Cth) and includes details as at the reporting date for Macquarie Bank Limited and its controlled entities in accordance with AASB 10 *Consolidated Financial Statements*. The entity's role as a trustee, partner or participant in a joint venture (if applicable), of any entity within the Group is disclosed in "Entity Type".

Determination of Tax Residency

Section 295(3A) of the *Corporations Act 2001* (Cth) requires that the tax residency of consolidated entities be disclosed. In determining tax residency, the Consolidated Entity has applied the following interpretations:

Australian tax residency

The Consolidated Entity has applied the *Income Tax Assessment Act 1997* (ITAA) and judicial precedent and having regard to the Commissioner of Taxation's public guidance in *Taxation Ruling TR 2018/5* and *Practical Compliance Guideline PCG 2018/9* to determine whether an entity is an Australian resident.

In addition, the Consolidated Entity has disclosed the Australian tax resident status of partnerships and trusts in accordance with recent amendments to the *Corporations Act 2001* (Cth) which applies to subsequent reporting periods for the Consolidated Entity and modifies the definition of 'Australian resident' for partnerships and trusts.

Foreign tax residency

The Consolidated Entity has applied the legislation relating to foreign income tax and, where applicable, judicial precedent to determine whether an entity is a resident of the foreign jurisdiction.

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Macquarie Bank Limited	Body Corporate	Australia	N/A	Australian	N/A
Belike Nominees Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Bond Street Custodians Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Buttonwood Nominees Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Equitas Nominees Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Euro Fin Co Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Gatesun Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Henderson WA Pty Limited	Body Corporate, Trustee	Australia	100%	Australian	N/A
Macquarie Americas Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie CGM Trading Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Corporate and Asset Finance Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Emerging Markets Investments Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Energy Holdings Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Energy Services Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Equities Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Funds Management Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie FX Investments Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Group Services Australia Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Group Treasury Funding Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie International Finance Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Investment Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Investment Management Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Investment Services Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Leasing Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Life Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Offshore Service Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Offshore Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Macquarie Prism Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Securitisation Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie UK Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A

Consolidated Entity disclosure statement

Continued

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
MTF Holdings Pty Limited	Body Corporate	Australia	100%	Australian	N/A
PropertyIQ Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Woodross Nominees Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Barcelona Funding Trust	Trust	N/A	N/A	Australian	N/A
Bluestone Equity Release Series 1 Warehouse Trust	Trust	N/A	N/A	Australian	N/A
Henderson WA Trust	Trust	N/A	N/A	Australian	N/A
Mac Fund One Trust	Trust	N/A	N/A	Australian	N/A
MBL Covered Bond Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2015-3	Trust	N/A	N/A	Australian	N/A
PUMA Series 2017-1	Trust	N/A	N/A	Australian	N/A
PUMA Series 2019-1	Trust	N/A	N/A	Australian	N/A
PUMA Series 2021-2 Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2021-1P Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2022-1 Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2023-1 Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2024-1 Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2024-2 Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2025-1 Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series R Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series W Trust	Trust	N/A	N/A	Australian	N/A
PUMA Subfund B-1	Trust	N/A	N/A	Australian	N/A
SMART ABS Series 2022-1P Trust	Trust	N/A	N/A	Australian	N/A
SMART ABS Series W2 Trust	Trust	N/A	N/A	Australian	N/A
SMART ABS SERIES W3 Trust	Trust	N/A	N/A	Australian	N/A
SMART B Trust	Trust	N/A	N/A	Australian	N/A
TRAMS ABS Series 2015-1	Trust	N/A	N/A	Australian	N/A
Macquarie Energy Trading LLC	Body Corporate	United States	100%	Australian	N/A
Macquarie Belgium TCG SRL	Body Corporate	Belgium	100%	Foreign	Belgium
Macquarie (Bermuda) Limited	Body Corporate	Bermuda	100%	Foreign	Bermuda
Macquarie Brasil Participacoes Ltda	Body Corporate	Brazil	100%	Foreign	Brazil
Macquarie Commodities Brasil S/A	Body Corporate	Brazil	100%	Foreign	Brazil
Macquarie Energia Brasil Comercializadora Ltda.	Body Corporate	Brazil	100%	Foreign	Brazil
Macquarie Commodities Canada Corporation	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Energy Canada Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Funding 7 Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Funding 8 Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Funding Holdings Canada Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Funding Inc.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Resource Capital Canada Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Technology Services (Canada) 2 Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Technology Services (Canada) Ltd.	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Commodities Trading (Shanghai) Co, Ltd	Body Corporate	China	100%	Foreign	China
Macquarie Equipment Trading (Shanghai) Co., Ltd	Body Corporate	China	100%	Foreign	China
Sustainable Feedstocks Group Guangdong Limited	Body Corporate	China	65%	Foreign	China
Macquarie Investments Deutschland GmbH	Body Corporate	Germany	100%	Foreign	Germany
Macquarie Verwaltungs GmbH	Body Corporate	Germany	100%	Foreign	Germany
Macquarie International Services Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Markets Trading Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Meters 4 Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Services (Hong Kong) Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Macquarie Finance (India) Private Limited	Body Corporate	India	100%	Foreign	India

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
Macquarie Global Services Private Limited	Body Corporate	India	100%	Foreign	India
MQG Commodities (India) Private Limited	Body Corporate	India	100%	Foreign	India
Macquarie Bank Europe Designated Activity Company	Body Corporate	Ireland	100%	Foreign	Ireland
Macquarie Equipment Finance Designated Activity Company	Body Corporate	Ireland	100%	Foreign	Ireland
Macquarie Equipment Finance Services Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Macquarie Products (Ireland) Limited	Body Corporate	Ireland	100%	Foreign	United Kingdom
Macquarie Asset Finance Japan Limited	Body Corporate	Japan	100%	Foreign	Japan
Macquarie Energy Japan Limited	Body Corporate	Japan	100%	Foreign	Japan
Hydra Investments 2007 Limited	Body Corporate	Jersey	100%	Foreign	United Kingdom
Macquarie Finance Korea Co., Ltd.	Body Corporate	South Korea	100%	Foreign	South Korea
Macquarie Equipment Leasing Sdn. Bhd.	Body Corporate	Malaysia	100%	Foreign	Malaysia
Macquarie Asset Finance Mauritius Ltd	Body Corporate	Mauritius	100%	Foreign	Mauritius
Comercializadora Energia de la Reforma S. de R.L. de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Macquarie Energy Mexico, S. de R.L. de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Macquarie Servicios Electricos de Mexico S. de R.L de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Macquarie Fundo De Investimento Multimercado Crédito Privado Investimento No Exterior ¹	Trust	N/A	N/A	Foreign	N/A
Macquarie Equipment Finance Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Macquarie Group Services (Philippines), Inc.	Body Corporate	Philippines	100%	Foreign	Philippines
Macquarie (Asia) Pte Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Commodity Markets (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Emerging Markets Asian Trading Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Futures (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Group Services (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Holdings 2 (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Holdings (Singapore) Pte. Ltd.	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Services SA	Body Corporate	Switzerland	100%	Foreign	Switzerland
Capital Meters Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Commodities (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Commodities Factoring Holdings (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Commodities Finance (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Energy Leasing Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Global Investments (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Investments 1 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Investments (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Leasing Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Meters 3 (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Meters 5 (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Physical Commodities UK Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Ropemaker Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Specialised Asset Services Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Trade & Asset Finance International Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Sustainable Feedstocks Group Limited	Body Corporate	United Kingdom	65%	Foreign	United Kingdom
Utility Metering Services Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Avenal Power Center, LLC ¹	Body Corporate	United States	100%	Foreign	N/A
Circularix Management Company, LLC ¹	Body Corporate	United States	0%	Foreign	N/A
Circularix, LLC	Body Corporate	United States	68%	Foreign	United States
CX Hatfield, LLC ¹	Body Corporate	United States	68%	Foreign	N/A
CX Ocala, LLC ¹	Body Corporate	United States	68%	Foreign	N/A

¹ These entities are treated as flow through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.

Consolidated Entity disclosure statement

Continued

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
CX Team, LLC ¹	Body Corporate	United States	68%	Foreign	N/A
Macquarie America Holdings Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Energy LLC ¹	Body Corporate	United States	100%	Foreign	N/A
Macquarie Energy North America Trading Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Equipment Capital Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Funding LLC ¹	Body Corporate	United States	100%	Foreign	N/A
Macquarie Futures USA LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie Global Services (USA) LLC	Body Corporate	United States	100%	Foreign	United States
Macquarie Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Physical Commodities, LLC ¹	Body Corporate	United States	100%	Foreign	N/A
Macquarie Semiconductor and Technology Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Trading Services Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie US Trading LLC ¹	Body Corporate	United States	100%	Foreign	N/A
Whole Loan Trust ¹	Body Corporate	United States	100%	Foreign	N/A

¹ These entities are treated as flow through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.

Directors' declaration

Macquarie Bank Limited

In the Directors' opinion:

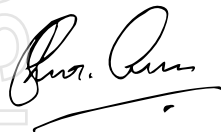
- (a) the financial statements and notes set out on pages 69 to 202 are in accordance with the *Corporations Act 2001* (Cth) including:
 - (i) complying with Australian Accounting Standards, and
 - (ii) giving a true and fair view of the Company's and the Consolidated Entity's financial positions as at 31 March 2025 and their performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- (c) the Consolidated Entity disclosure statement set out on pages 203 to 206 is true and correct.

Note 1(i) includes a statement that the Financial Report complies with International Financial Reporting Standards.

The Directors have been given the declarations by the CEO and CFO required by 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
9 May 2025

Independent auditor's report

To the member of Macquarie Bank Limited



Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Macquarie Bank Limited (the Company) and its controlled entities (together the Consolidated Entity) is in accordance with the *Corporations Act 2001* (Cth), including:

1. giving a true and fair view of the Company's and Consolidated Entity's financial positions as at 31 March 2025 and of their financial performance for the year then ended
2. complying with Australian Accounting Standards and the *Corporations Regulations 2001* (Cth).

What we have audited

The financial report comprises:

- the Consolidated and Company income statements for the year ended 31 March 2025
- the Consolidated and Company statements of comprehensive income for the year then ended
- the Consolidated and Company statements of financial position as at 31 March 2025
- the Consolidated and Company statements of changes in equity for the year then ended
- the Consolidated and Company statements of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 31 March 2025
- the directors' declaration.

Basis for opinion

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

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

Independence

We are independent of the Company and 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach for the Company and the Consolidated Entity

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company and the Consolidated Entity, its accounting processes and controls and the industry in which it operates.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo
GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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The Company and the Consolidated Entity audit scope

Our audit focused on where the Company and the Consolidated Entity made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor, or component auditors from PwC Australia or from other PwC network firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Company and the Consolidated Entity financial report as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. The key audit matters identified below relate to the audit of both the Company and the Consolidated Entity, unless otherwise stated below.

Key audit matter

Expected credit loss (ECL) allowance on loan assets (Refer to note 12)

Under the credit impairment model required by AASB 9: *Financial Instruments* (AASB 9), losses are recognised on an Expected Credit Loss (ECL) basis. ECLs are required to incorporate forward-looking information, reflecting the Company and the Consolidated Entity's view of potential future economic scenarios.

The level of estimation uncertainty and judgement has remained high during the year ended 31 March 2025 as a result of uncertainties in the macroeconomic and geopolitical environment, as well as developments in the global economy more broadly.

In order to meet the requirements of AASB 9, the Consolidated Entity's model, to determine the ECL allowance on loan assets, incorporates assumptions such as determining when a significant increase in credit risk (SICR) has occurred. In addition, judgemental overlays are applied to the modelled ECL allowance.

Specific provisions are also recognised by the Consolidated Entity for individual loan assets which are impaired at the reporting date.

Given the level of estimation uncertainty and the extent of judgement involved we consider this a key audit matter.

Key audit matters

Amongst other relevant topics, we communicated the following key audit matters to the Board Audit Committee:

- expected credit loss (ECL) allowance on loan assets
- valuation of complex or illiquid assets and liabilities carried at fair value through profit and loss which are based on significant unobservable inputs (Level 3)
- IT systems and controls over financial reporting
- estimation of tax payable relating to tax uncertainties.

These are further described in the *Key audit matters* section of our report.

How our audit addressed the key audit matter

Our audit procedures, amongst others, included assessing the design and testing the operating effectiveness of certain controls supporting the Company and the Consolidated Entity's estimate of the ECL allowance including controls relating to:

- review and challenge of certain forward-looking macroeconomic assumptions and scenario weightings
- monitoring the effectiveness of models used to support ECL estimates, and the validation of new and revised models
- assessing the credit quality of counterparties
- accuracy of certain critical data elements used in key ECL models, and
- review and challenge forums to assess the ECL output and post model overlays.

In addition to controls testing, we performed substantive procedures together with our PwC credit modelling experts, including:

- assessing the appropriateness of relevant conclusions reached by the Company and the Consolidated Entity from monitoring performed on key models. This included assessing key model components such as SICR and reperforming certain tests carried out as part of the model monitoring
- testing the appropriateness of a selection of changes to key models
- assessing whether the list of critical data elements identified by the Company and the Consolidated Entity was appropriate for key models.

We also performed the following other substantive procedures, amongst others, including:

- together with PwC economics experts, assessing the appropriateness of relevant macroeconomic scenarios and certain forward-looking economic data developed by the Company and the Consolidated Entity
- testing the completeness and accuracy of certain critical data elements used in key ECL models
- for credit impaired loan (stage III) provisions, we examined a sample of individual loan exposures to consider the appropriateness of provisions recognised
- assessing a selection of post model overlays identified by the Company and the Consolidated Entity, including developing an understanding of the methodology used for overlay derivation and testing the underlying datasets used for the calculations, and
- considering the impacts on the ECL events occurring subsequent to balance date.

We assessed the reasonableness of the Company and the Consolidated Entity's disclosures in the financial report against the Australian Accounting Standards.

Independent auditor's report

To the member of Macquarie Bank Limited continued



Key audit matter

How our audit addressed the key audit matter

Valuation of complex or illiquid assets and liabilities carried at fair value through profit and loss which are based on significant unobservable inputs (Level 3) (Refer to note 35)

The Company and the Consolidated Entity apply judgement when determining the fair value of certain financial assets and liabilities, particularly when significant unobservable inputs are involved. These are referred to as Level 3 assets and liabilities.

For the Company and the Consolidated Entity, Level 3 assets and liabilities predominantly consist of derivatives, trading assets, financial investments and loan assets. Estimating the fair value of these assets and liabilities involves judgement in determining suitable models and assumptions, as well as the use of significant unobservable inputs.

Given the extent of the judgement involved, in valuing these Level 3 assets and liabilities, we considered this to be a key audit matter.

Our procedures, amongst others, involved assessing the design and testing the operating effectiveness of certain controls relating to the valuation of Level 3 assets and liabilities, including controls over:

- the validation and approval of the valuation models used, including their ongoing appropriateness
- the independent price verification process performed over the assumptions and significant unobservable inputs used in the valuation of Level 3 assets and liabilities
- the calculation and approval of key valuation adjustments, and
- governance, review and challenge forums.

Together with PwC valuation experts, we tested the Company and the Consolidated Entity's estimate for a sample of Level 3 derivatives and trading assets. We also considered a sample of collateral disputes, gains and losses on disposals and other events to help assess the reasonableness of these valuations. Further, we tested a sample of valuation adjustments at period end, including evaluating the methodology applied and the underlying assumptions.

We assessed the reasonableness of the Company and the Consolidated Entity's disclosures in the financial report against the requirements of Australian Accounting Standards.



Key audit matter

How our audit addressed the key audit matter

IT systems and controls over financial reporting

The Consolidated Entity's and Company's operations and financial reporting processes are heavily dependent on IT systems for the processing and recording of a significant volume of transactions.

A fundamental component of these IT systems and controls is ensuring that risks in relation to inappropriate user access management, unauthorised program changes and IT operating protocols are managed.

Due to this, we consider the operation of IT systems and controls over financial reporting to be a key audit matter.

For material financial statement balances we developed an understanding of the business processes, IT systems used to generate and support those balances and associated IT application controls and IT dependencies in manual controls.

Our procedures, amongst others, included evaluating the design and testing the operating effectiveness of certain controls over the continued integrity of certain IT systems that are relevant to financial reporting. This involved assessing, where relevant to the audit:

- change management: the processes and controls used to develop, test and authorise changes to the functionality and configurations within systems;
- system development: the project disciplines which ensure that significant developments or implementation are appropriately tested before implementation and that data is migrated/converted and transferred completely and accurately;
- security: the access controls designed to enforce segregation of duties, govern the use of generic and privileged accounts or ensure that data is only changed through authorised means; and
- IT operations: the controls over operations are used to ensure that any issues that arise are managed appropriately.

Within the scope of our audit where technology services are provided by a third party, we obtained assurance through independent testing or, where available, considered assurance reports from the third party's auditor on the design and operating effectiveness of relevant controls for the reporting period.

We also carried out tests, on a sample basis, of IT application controls and IT dependencies in manual controls that were key to our audit testing in order to assess the accuracy of certain system calculations, the generation of certain reports and the operation of certain system enforced access controls.

Where we identified design or operating effectiveness matters relating to IT systems or application controls relevant to our audit, we performed alternative or additional audit procedures, which included considering mitigating controls in order to respond to the impact on our overall audit approach.

Estimation of tax payable relating to tax uncertainties (Refer to Note 20)

The Company and the Consolidated Entity is subject to taxation in a number of jurisdictions. The assessment of the amounts expected to be paid to tax authorities is considered initially by the Company and the Consolidated Entity in each local territory, and then reviewed centrally, with consideration given to particular tax positions in certain jurisdictions.

In some cases, the treatment of certain tax positions, requires judgement to estimate the ultimate amounts that will be paid to tax authorities, which resulted in us considering this to be a key audit matter.

Our procedures, amongst others, included evaluating the analysis conducted by the Company and the Consolidated Entity which sets out the basis for judgements made in respect of the ultimate amounts expected to be paid to tax authorities.

Assisted by PwC tax experts, we read a risk focused selection of correspondence with tax authorities and external advice obtained by the Company and the Consolidated Entity and used our understanding of the business to assess the completeness and quantum of the provisions for tax. We considered the likelihood of additional tax exposures occurring based on our knowledge of tax legislation, applicable precedent and industry developments, noting the level of judgement involved.

We assessed the reasonableness of the Company and the Consolidated Entity's disclosures in the financial report against the requirements of the Australian Accounting Standards.

Independent auditor's report

To the member of Macquarie Bank Limited continued



Other information

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

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company and the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 31 March 2025.

In our opinion, the remuneration report of Macquarie Bank Limited for the year ended 31 March 2025 complies with section 300A of the *Corporations Act 2001* (Cth).

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001* (Cth). Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Voula Papageorgiou
Partner

Sydney
9 May 2025

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Further Information

Commodity Markets and Finance, United States

Commodities and Global Markets' Commodity Markets and Finance team combines activities in the physical and financial commodity markets to create highly effective and bespoke risk management solutions for clients across the energy sector.





Additional investor information

Calendar

2025

Date	Event
10 June	Payment date for BCN3 distribution
23 June	Payment date for BCN2 distribution
8 September	Payment date for BCN3 distribution
22 September	Payment date for BCN2 distribution
30 September	Financial half-year end
7 November ¹	Half-year result announcement
8 December	Payment date for BCN3 distribution
22 December	Payment date for BCN2 distribution

2026

Date	Event
9 March	Payment date for BCN3 distribution
23 March	Payment date for BCN2 distribution
31 March	Financial year end

Stock exchange listing

Equity or hybrid security	Stock exchange listing	Trading code
Macquarie Additional Capital Securities (MACS)	SGX	6F6B
Macquarie Bank Capital Notes 2 (BCN2)	ASX	MBLPC
Macquarie Bank Capital Notes 3 (BCN3)	ASX	MBLPD

MBL also has debt securities quoted on exchanges that include the ASX, London Stock Exchange, Luxembourg Stock Exchange (LuxSE), SGX and the Taipei Exchange. Macquarie Bank also has warrants quoted on the LuxSE, SGX, Hong Kong Stock Exchange and certificates listed on the LuxSE.

Securities on issue

The following information is correct as at 31 March 2025.

Fully paid ordinary shares

Voting Rights

At meetings of members or classes of members, each member may vote in person or by proxy, attorney or (if the member is a body corporate) corporate representative. On a show of hands, every person present who is a member or a proxy, attorney or corporate representative of a member has one vote and on a poll every member present in person or by proxy, attorney or corporate representative has:

- one vote for each fully paid share held by the member, and
- that proportion of a vote for any partly paid ordinary share held that the amount paid on the partly paid share bears to the total issue price of the share.

Macquarie Additional Capital Securities (MACS)

Voting rights

MACS are unsecured subordinated notes issued by MBL, acting through its London Branch that may be exchanged for MGL ordinary shares in certain limited circumstances. MACS holders have no voting rights in respect of meetings of members of MBL and have no voting rights in respect of meetings of members of MGL in the absence of such an exchange.

Single Shareholder

As at 31 March 2025, the \$US750 million of MACS were held by one holder, Cede & Co, as authorised representative for the Depository Trust Company being the common depository for the MACS global security. The Bank of New York Mellon as Registrar keeps the register in respect of MACS.

¹ This date is subject to change.

Macquarie Bank Capital Notes 2 (BCN2)

Voting rights

BCN2 are unsecured, subordinated notes issued by MBL that may be exchanged for MGL ordinary shares in certain limited circumstances. They are non-cumulative and mandatorily convertible. BCN2 holders have no voting rights in respect of MBL and have no voting rights in respect of meetings of members of MGL in the absence of such an exchange.

20 largest holders

Registered Holder	Number of BCN2 held	% of BCN2
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	418,499	6.53
HSBC Custody Nominees (Australia) Limited	292,648	4.57
J P Morgan Nominees Australia Pty Limited	213,865	3.34
Netwealth Investments Limited <Wrap Services A/C>	189,767	2.96
Citicorp Nominees Pty Limited	102,018	1.59
Mutual Trust Pty Ltd	88,207	1.38
HSBC Custody Nominees (Australia) Limited - GSI EDA	70,000	1.09
HSBC Custody Nominees (Australia) Limited - A/C 2	57,142	0.89
Berne No 132 Nominee Pty Ltd <684168 A/C>	46,500	0.73
Netwealth Investments Limited <Super Services A/C>	42,642	0.67
33 Bank Street Nominees Pty Ltd	37,100	0.58
Sandhurst Trustees Ltd <Endeavor Asset MGMT MDA A/C>	35,338	0.55
IOOF Investment Services Limited <IOOF IDPS A/C>	32,690	0.51
Herbert St Investments Pty Ltd	31,080	0.48
A R E Investments Pty Limited	27,744	0.43
IOOF Investment Services Limited <IPS Superfund A/C>	27,741	0.43
IOOF Investment Services Limited <IISL NAL ISMA 2 A/C>	26,482	0.41
Dimbulu Pty Ltd	25,000	0.39
Mrs Liji Hui Sheng Humphrys	24,400	0.38
Diocese Development Fund - Catholic Diocese of Parramatta	23,930	0.37
Total	1,812,793	28.28

Spread of noteholdings

Range	Number of BCN2 holders	Number of BCN2	% of BCN2
1 - 1,000	8,717	2,508,904	39.14
1,001 - 5,000	738	1,445,764	22.55
5,001 - 10,000	58	404,073	6.30
10,001 - 100,000	31	834,732	13.02
100,001 notes and over	5	1,216,797	18.98
Total	9,549	6,410,270	100.00

There were 16 noteholders (representing 23 notes) who held less than a marketable parcel.

Additional investor information

Continued

Macquarie Bank Capital Notes 3 (BCN3)

Voting rights

BCN3 are unsecured, subordinated notes issued by MBL that may be exchanged for MGL ordinary shares in certain limited circumstances. They are non-cumulative and mandatorily convertible. BCN3 holders have no voting rights in respect of MBL and have no voting rights in respect of meetings of members of MGL in the absence of such an exchange.

20 largest holders

Registered Holder	Number of BCN3 held	% of BCN3
Citicorp Nominees Pty Limited <143212 NMMT LTD A/C>	534,829	8.17
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	381,483	5.83
HSBC Custody Nominees (Australia) Limited	282,638	4.32
Netwealth Investments Limited <Wrap Services A/C>	201,073	3.07
Citicorp Nominees Pty Limited	89,213	1.36
Mutual Trust Pty Ltd	74,144	1.13
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	59,728	0.91
BNP Paribas Nominees Pty Ltd <Pitcher Partners>	59,324	0.91
HSBC Custody Nominees (Australia) Limited - A/C 2	54,465	0.83
J P Morgan Nominees Australia Pty Limited	48,988	0.75
Fishbourne Pty Ltd	44,798	0.68
Berne No 132 Nominees Pty Ltd <784215 A/C>	34,670	0.53
National Nominees Limited	30,293	0.46
Dimbulu Pty Ltd	28,000	0.43
Netwealth Investments Limited <Super Services A/C>	27,409	0.42
IOOF Investment Services Limited <IPS Superfund A/C>	21,256	0.32
IOOF Investment Services Limited <IOOF IDPS A/C>	20,631	0.32
Leda Holdings Pty Ltd	20,000	0.31
Invia Custodian Pty Limited <WEHI - Investment Pool A/C>	19,800	0.30
John E Gill Trading Pty Ltd	17,749	0.27
Total	2,050,491	31.32

Spread of noteholdings

Range	Number of BCN3 holders	Number of BCN3	% of BCN3
1 - 1,000	6,824	2,410,288	36.81
1,001 - 5,000	766	1,602,902	24.48
5,001 - 10,000	44	311,334	4.76
10,001 - 100,000	30	823,933	12.58
100,001 notes and over	4	1,400,023	21.38
Total	7,668	6,548,480	100.00

There were 4 noteholders (representing 8 notes) who held less than a marketable parcel.

Enquiries

Investor relations

Macquarie Group
Level 1, 1 Elizabeth Street
Sydney NSW 2000 Australia

Telephone: +61 2 8232 3333
Email: macquarie.shareholders@macquarie.com
Website: macquarie.com/investors

MBL's Company Secretary, Simone Kovacic, can be contacted on the above number and email address.

Website



Annual Reports, presentations and other investor information is available at macquarie.com/investors

Glossary

Defined term	Definition
A	
AASB	Australian Accounting Standards Board
Accountable Person	Accountable Person under the Banking Executive Accountability Regime (BEAR)
the Act	<i>Corporations Act 2001</i> (Cth)
ADI	authorised deposit-taking institution
AGM	Annual General Meeting
ALCO	Asset and Liability Committee
Annual Report	MBL's 2025 Annual Report
ANZ	Australia and New Zealand
APRA	Australian Prudential Regulation Authority
ARRs	alternative reference rates
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange or ASX Limited ABN 98 008 624 691 and the market operated by ASX Limited
B	
BAC	Board Audit Committee
Bank Group	MBL and its subsidiaries
BBSW	Australian Financial Markets Association's bank-bill rate published daily on AAP Reuters website. The Australian equivalent of LIBOR, SIBOR, etc.
BCBS	Basel Committee on Banking Supervision
BCC	Board Conflicts Committee
BCN2	Macquarie Bank Capital Notes 2
BCN3	Macquarie Bank Capital Notes 3
BEAR	Banking Executive Accountability Regime
BFS	Banking and Financial Services Group
BGCC	Board Governance and Compliance Committee
the Boards	the Macquarie Bank Board and the Macquarie Board
the Board, Macquarie Bank Board	the Board of Voting Directors of Macquarie Bank Limited
BONDs	Bank-only Non-Executive Directors
BRC	Board Remuneration Committee
BRIC	Board Risk Committee
Businesses	the areas within the Operating Groups carrying out various operations
C	
CAGR	compound annual growth rate
Central Service Groups	the Central Service Groups consist of COG, FPE, LGG and RMG
CEO	Managing Director and Chief Executive Officer
CFLI	Climate Finance Leadership Initiative
CGM	Commodities and Global Markets Group
CFO	Chief Financial Officer
Clawback	the Board's ability to recover (in whole or in part) vested profit share
COG	Corporate Operations Group
the Company, MBL	Macquarie Bank Limited ABN 46 008 583 542

Defined term	Definition
Comparable Executive Key Management Personnel (Comparable Executive KMP)	Executive KMP who were members of the Executive Committee for the full-year in both FY2025 and FY2024
Common NEDs	NEDs of MGL who are also members of the MBL Board
the Consolidated Entity, Macquarie Bank	MBL and its subsidiaries
Corporate	Head office and Central Service Groups including Group Treasury
CPS 511	APRA Prudential Standard CPS 511 <i>Remuneration</i>
CRO	Chief Risk Officer
D	
Deed	Deed of Access, Indemnity, Insurance and Disclosure
Deed Poll	Indemnity and Insurance Deed Poll dated 12 September 2007
DFVTPL	designated as FVTPL
Directors	the Voting Directors of MBL (unless the context indicates otherwise)
Divisions	named divisions within the Macquarie Group
DPS Plan	Directors' Profit Share Plan
DSU	Deferred Share Unit issued under the MEREPA
E	
EAD	exposure at default
ECL	expected credit loss
EIR	effective interest rate
EMEA	Europe, Middle East and Africa
EPS	earnings per share
ESP	Macquarie Group Employee Share Plan
EU	the European Union
Executive Committee	the committee typically comprises the CEO, the MGL CEO, and heads of the Operating Groups and Central Service Groups
Executive Director	Macquarie Group's most senior employees including Group Heads, Division Heads and senior business unit managers
Executive Key Management Personnel (Executive KMP)	members of the Executive Committee of MBL
Executive Voting Director	an executive Board member
F-H	
FAR	Financial Accountability Regime
FCTR	foreign currency translation rate
FLI	forward looking information
FPE	Financial Management, People and Engagement
FRN	floating rate notes
FVA	funding valuation adjustment
FVOCI	fair value through other comprehensive income
FVTPL	fair value through profit or loss
GDP	gross domestic product

Defined term	Definition
GFANZ	Glasgow Financial Alliance for Net Zero
GGC	Group General Counsel
GST	Goods and Services Tax
HFT	held for trading
I-J	
IASB	International Accounting Standards Board
IBOR	Interbank-offered rates
IFRS	International Financial Reporting Standards
K	
Key Management Personnel (KMP)	all Voting Directors and members of the Executive Committee of MBL
L	
LGD	loss given default
LGG	Legal and Governance Group
LuxSE	Luxembourg Stock Exchange
M	
Macquarie Bank, the Consolidated Entity	MBL and its subsidiaries
Macquarie Board	the Board of Voting Directors of MGL
Macquarie Group	MGL and its subsidiaries
MACS	Macquarie Additional Capital Securities
Malus	the ability of the MGL Board or its delegate to reduce or eliminate unvested profit share for certain senior employees in certain circumstances
MAM	Macquarie Asset Management Group
MAMH	Macquarie Asset Management Holdings Pty Limited ABN 84 134 474 712
Management	Division Directors and Executive Directors who have management or risk responsibility for a Division or business area
MBHPL	Macquarie B.H. Pty Ltd ABN 86 124 071 432
MBL, the Company	Macquarie Bank Limited ABN 46 008 583 542
MCN4	Macquarie Group Capital Notes 4
MEREP	Macquarie Group Employee Retained Equity Plan
MFL	Macquarie Financial Limited ABN 63 124 071 398
MGL	Macquarie Group Limited ABN 94 122 169 279
MGL ordinary shares, MQG	MGL fully paid ordinary shares
MNA	master netting arrangements
N	
NED	Non-Executive Director
NIFO	net investment in foreign operations
Non-Bank Group	MGL, MFL and its subsidiaries, MAMHPL and its subsidiaries
NPAT	net profit after tax
O	
OCI	other comprehensive income
Operating Groups	the Operating Groups consist of BFS and CGM
OTC	over-the-counter

Defined term	Definition
P-Q	
PD	probability of default
PSU	Performance Share Unit issued under the MEREP
PwC	PricewaterhouseCoopers
R	
RBA	Reserve Bank of Australia
RMG	Risk Management Group
ROE	return on ordinary equity
ROU	right-of-use
RSU	Restricted Share Unit issued under the MEREP
S	
Senior Management	members of the Executive Committee of MBL
SEs	structured entities
SGX	Singapore Stock Exchange
SICR	significant increase in credit risk
SPPI	solely payment of principal and interest
Statutory Remuneration	statutory remuneration disclosures are prepared in accordance with Australian Accounting Standards and as disclosed throughout the Remuneration Report
T-U	
TSR	total shareholder return
V-Z	
VaR	Value-at-Risk
Voting Directors	the Voting Directors of MBL as defined in the MBL Constitution

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Disclaimer

This Annual Report contains forward-looking statements and metrics — that is, statements related to future, not past, events or other matters — including, without limitation, statements regarding our intent, belief or current expectations with respect to Macquarie's businesses and operations, market conditions, results of operation and financial condition, risk management practices, targets, estimates, goals and ambitions. We use words such as "will", "may", "expect", "indicative", "intend", "seek", "would", "should", "could", "continue", "anticipate", "believe", "probability", "risk", "aim", "commitment", "target", "goal", "ambition", "plan", "estimate", "outlook", "forecast", "assumption", "projection", or other similar words to identify forward-looking statements.

Any forward-looking statements in this Annual Report are made as at the date of this Annual Report. Readers are cautioned not to place undue reliance on these forward-looking statements. Macquarie does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements or to otherwise update any forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Annual Report. Actual results may vary in a materially positive or negative manner. Although Macquarie currently believes it has reasonable grounds to support these forward-looking statements and forecasts, they are subject to uncertainty and contingencies outside Macquarie's control. While Macquarie has prepared the information in this Annual Report based on its current knowledge and in good faith, it reserves the right to change its views in the future.

Other than Macquarie Bank Limited ABN 46 008 583 542, any Macquarie Group entity noted in this Annual Report is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). That entity's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 and Macquarie Bank Limited ABN 46 008 583 542 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.

Contact details

Principal Administrative Office Macquarie Bank Limited

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

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