

**2026**

# Annual Report

Macquarie Bank  
Year ended 31 March 2026



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

**Inside cover image**

**Wealth management, Australia**

In 1980, Macquarie launched Australia's first Cash Management Trust, giving retail customers access to higher interest rates. Today, the Macquarie Cash Management Account remains a leading cash hub for Australian investors, companies, trusts and self-managed super funds.



**Cover image**

**Business banking, Australia**

Macquarie Bank is backing the growth of Australian businesses by providing business banking customers with access to fee-free transaction, savings, at call investment and trust accounts.



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

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

*Charlie*

**Private Wealth customer**

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# 01

## About

### Digital banking, Australia

Macquarie Bank launched 'Q', a new AI-powered, human-like support assistant that provides instant and personalised support to customers with their everyday banking needs, 24/7.





**Despite the complex operating environment, Macquarie Bank delivered a strong result as it remained focused on supporting clients and customers and delivering on sustainable growth opportunities.”**

## Letter from the **Managing Director and CEO**

Throughout the year, global economic conditions remained uncertain, shaped by heightened geopolitical tensions and periods of market volatility, though varied across regions and sectors. Businesses and households nonetheless continued to navigate this with resilience and adaptability.

Macquarie Bank Limited (MBL) remains focused on supporting clients and customers through disciplined execution, the strength of our relationship-driven approach, and continued investment in technology and innovation.

In FY2026, MBL's businesses delivered a strong net profit contribution, reflecting the benefits of this approach and the diversification of our business mix. Our conservative balance sheet and prudent approach to capital, funding and liquidity underpin

the strength and stability of the Bank, enabling us to support clients and customers through changing conditions while continuing to invest in the integrity and resilience of our operations.

Macquarie Bank's consolidated net profit attributable to its ordinary equity holder was \$A6,011 million for the year ended 31 March 2026, an increase of 74% from \$A3,445 million in the prior year.

Banking and Financial Services (BFS), our Australian retail banking business, delivered a net profit contribution up on the prior year, with strong growth in the loan portfolio and BFS deposits, partially offset by lower margins and higher technology expenses to support business growth and scalable opportunities.

Commodities and Global Markets (CGM), which provides solutions across commodities, financial markets and asset finance, delivered a net profit contribution that was significantly up on the prior year. The result reflected improved contributions across the business, particularly from the gain on sale from the divestment

of the OnStream meters platform in Asset Finance; improved income from Gas, Power and Emissions, and Global Oil in Commodities; and financing origination and strong client hedging activity in Financial Markets.

Our longstanding fundamentals together with our commitment to investing in innovation and our entrepreneurial culture put us in a strong position to continue meeting our clients' and customers' evolving needs and deliver sustainable outcomes over the medium term.

## Delivering solutions across global markets

During the year, CGM demonstrated continued discipline in portfolio management through an agreement to sell its leading smart meter platform, OnStream, comprising more than seven million later generation smart meters across the UK and Germany. Since establishing its metering business in 2003, Macquarie has invested more than £2 billion supporting the rollout of energy-saving smart meters in Great Britain.

This transaction illustrates CGM's ability to originate, scale and responsibly realise value from assets that support essential infrastructure, while continuing to deploy capital in ways that support clients and long-term outcomes.

During periods of global market uncertainty and volatility, such as those we have seen in recent months, CGM's role in supporting clients as they manage risk and adapt to changing conditions becomes especially important.

In FY2026, MBL completed the sale of CGM's North American Power, Gas & Emissions and certain Canadian physical oil marketing businesses, together with Macquarie International Finance Limited to Macquarie Group Limited. The restructure positions those businesses for future growth, while ensuring MBL remains focused on activities where it can deliver appropriate returns.

## Our role in Australian retail banking

Macquarie has played a longstanding role in reshaping Australian retail banking by introducing market-defining innovations that have delivered greater transparency, choice and value for customers.

This challenger mindset, a focus on reducing complexity, our commitment to improving customer outcomes and sustained investment in digital capability have been central to the growth of BFS over recent years and have supported steady market growth in both home loans and deposits over the past decade.

This momentum has been driven by strong customer advocacy and a disciplined approach to managing risk.

In home lending, growth has been supported by close alignment with the mortgage broker channel, which plays an important role in supporting customer choice and improved outcomes. Clear and consistent credit policies, together with efficient end-to-end processes, enable brokers to confidently recommend Macquarie home loans.

Across everyday banking and deposits, BFS continues to prioritise transparency and simplicity by removing barriers to entry and pain points experienced by many customers when interacting with their

bank. A key focus has been the removal of fees across a number of products and the implementation of straightforward interest rate structures, supported by award-winning digital experiences.

## Strengthening MBL's risk management and governance

Throughout FY2026, we continued to embed and sustain improvements from the remediation plan agreed with the Australian Prudential Regulation Authority (APRA) to strengthen MBL's governance, structure, remuneration framework and risk culture. Focus remained on ensuring changes were effectively integrated into day-to-day processes, controls and decision-making. These efforts are supporting clearer accountability, stronger oversight and an enhanced risk culture.

We also continued to deliver on a plan agreed with the Australian Securities and Investments Commission (ASIC) to address improvements within our Futures order management and surveillance, and derivative transaction reporting functions. This will provide the Bank with a material uplift in capabilities, resulting in greater reporting precision, the ability to respond faster to external requirements, and improved end-to-end transparency and control across our operating model.

During the year, we addressed matters relating to the Shield Master Fund. To prioritise customers' interests, in agreement with ASIC, we facilitated the return of 100 per cent of the net capital invested in Shield by those who invested through the Macquarie wrap platform. In addition, we agreed a formal plan with APRA to further strengthen our investment governance processes.

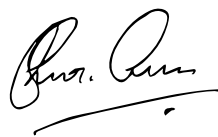
We take such matters extremely seriously and these actions reflect our expectation that issues are addressed transparently, lessons are learned, and outcomes are embedded in a way that strengthens our businesses over the long term.

## Strong foundations for sustainable growth

While the external environment remains uncertain, MBL delivered a strong outcome during the year, driven by the strength of our franchises, disciplined execution and continued focus on our clients and customers. These outcomes were underpinned by the strength of our balance sheet and the sustained investment we have made in strengthening our foundations.

We remain focused on delivering for our clients and customers through growth and innovation, while ensuring our governance, risk management and capital position support sustainable long-term activities.

In closing, I would like to acknowledge and thank our people for their continued dedication.



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

Sydney  
8 May 2026

## Financial highlights

FY2026 net profit<sup>1</sup>

**\$A6,011m**

↑ 74% on prior year

FY2026 net operating income

**\$A15,095m**

↑ 27% on prior year

FY2026 operating expenses

**\$A7,994m**

↑ 7% on prior year

BFS clients

**~ 2.3m**

CGM celebrates

**45+ years**

of client partnerships

BFS deposits

**\$A215.3b**

↑ 25% on prior year

BFS home loan portfolio

**\$A181.3b**

↑ 28% on prior year

CGM traded

**~ 7.6bcf**

of natural gas volume  
across North America daily

<sup>1</sup> 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.

# 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.

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### **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.

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## 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.

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### **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.

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### **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.

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### **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.

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### **Corporate Operations Group (COG)**

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

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# Operating and financial review

Our business continued

## Our business strategy

The growth of Macquarie Group's global operations over 57 years reflects our philosophy to expand selectively, focusing on specialist areas where we bring deep expertise to address areas of unmet need on behalf of clients and communities in line with our purpose and longstanding operating principles. We offer our teams significant operating freedom balanced by limits on risk. Alignment of interests is a longstanding feature, demonstrated by willingness to both invest alongside clients and closely align the interests of shareholders and staff.

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

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

## Our Purpose

Why we exist

Empowering people to innovate and invest for a better future

## Our Principles

How we do business



Opportunity



Accountability



Integrity

## Our Strategy

is developed from the bottom up

### BFS

Banking and Financial Services

### CGM

Commodities and Global Markets

## Our core business involves utilising our human capital

to realise opportunities, backed by a strong balance sheet

Evolution driven by:

- building enduring franchises from positions of deep expertise and pursuing adjacent growth opportunities
- managing diversified businesses across regions and service offerings to deliver consistent returns through cycles
- addressing unmet client and community needs, focusing on areas aligned to structural growth trends
- ensuring accountability and entrepreneurial endeavour from staff in pursuing opportunities
- continuously enhancing our operating platform
- adopting a disciplined approach to risk management, underpinned by a sound risk culture embedded across the organisation
- maintaining a strong and conservative balance sheet with diversified sources of funding
- maintaining safeguards to protect the interests of MBL and its clients.

## Supported from the centre

### COG

Corporate Operations Group

### FPE

Financial Management, People and Engagement

### RMG

Risk Management Group

### LGG

Legal and Governance Group



Our purpose and principles and what we expect of our staff are set out in our [Code of Conduct](https://www.macquarie.com/what-we-stand-for). [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 or 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 risk management framework.

In determining those risks that are material to Macquarie Group, including the Bank 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, model, operational, regulatory and compliance, tax, technology and cyber, artificial intelligence, 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, environmental (including climate) and social 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

Technological change, including the increasing adoption of artificial intelligence across global financial markets, is reshaping how financial services are delivered, competed for and regulated. These developments may disrupt industry business models, alter client expectations, intensify competitive pressures, increase reliance on complex and interconnected digital ecosystems, and heighten regulatory and supervisory scrutiny. Such changes may influence Macquarie Bank's financial performance and risk profile, and could result in adverse operational, financial, regulatory, or reputational outcomes.



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 \$A6,011 million for the year ended 31 March 2026 increased 74% from \$A3,445 million in the prior year.

	FULL YEAR TO		
	31 Mar 26	31 Mar 25	Movement
	\$Am	\$Am	%
Net operating income	15,095	11,920	27
Operating expenses	(7,994)	(7,479)	7
Income tax expense	(1,090)	(996)	9
Profit attributable to ordinary equity holder of Macquarie Bank Limited	6,011	3,445	74

# Operating and financial review

Review of performance and financial position

FY2026 net profit<sup>2</sup>

**\$A6,011m**

↑ 74% on prior year

FY2026 net operating income

**\$A15,095m**

↑ 27% on prior year

FY2026 operating expenses

**\$A7,994m**

↑ 7% on prior year

## FY2026 net profit contribution<sup>3</sup> by Operating Group

Summary of the Operating Groups' performance for the year ended 31 March 2026.

### Banking and Financial Services

**\$A1,610m**

↑ 17% on prior year due to

- higher net interest income primarily driven by growth in the average loan and deposit portfolios, partially offset by lower margins reflecting changes in portfolio mix and lending and deposit competition
- higher fee and commission income driven by growth in average funds on platform, the loan portfolio and BFS deposits.

Partially offset by:

- higher operating expenses reflecting increased technology expenses to support business growth and scalable operations.

### Commodities and Global Markets

**\$A3,643m**

↑ 27% on prior year due to

- increased net investment income primarily due to the gain on sale from the divestment of the OnStream meters platform and other Asset Finance investment activity in the technology and energy sectors
- 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
- increased Asset Finance net interest and trading income driven by increased volumes across shipping and technology sectors
- increased fee and commission income driven by higher structuring fees in commodities products and increased client activity in Futures.

Partially offset by:

- lower Commodities net interest and trading income primarily driven by the transfer of the North American Power, Gas and Emissions business to the Non-Bank Group.

### Corporate

Net income of **\$A758m**

↑ substantially on prior year due to

- higher net investment income due to a gain on the transfer of CGM's North American Power, Gas and Emissions business to the Non-Bank Group.

Partially offset by:

- lower net interest and trading income driven by lower earnings on capital
- higher employment expenses driven by higher performance-related profit share
- higher income tax expense driven by the performance of the Bank group, as well as the geographical composition and nature of earnings.

<sup>2</sup> Net profit is profit after tax attributable to ordinary equity holders of Macquarie Bank Limited.

<sup>3</sup> Net profit contribution is management accounting profit before unallocated corporate costs, profit share and income tax.

## Net operating income

Net operating income of \$A15,095 million for the year ended 31 March 2026 increased 27% from \$A11,920 million in the prior year. This increase was mainly driven by higher net investment income and fee and commission income, partially offset by lower net interest and trading income and higher credit and other impairment charges.

### Net interest and trading income

FULL YEAR TO	
31 Mar 26	31 Mar 25
\$Am	\$Am
7,905	8,256

↓4%

on prior year

Largely driven by:

- lower Commodities income driven by the transfer of CGM's North American Power, Gas and Emissions business to the Non-Bank Group
- lower margins reflecting changes in portfolio mix and lending and deposit competition, in BFS.

Partially offset by:

- higher net interest income due to growth in the average loan and deposit portfolios in BFS
- higher Asset Finance income due to increased volumes across shipping and technology in CGM
- higher foreign exchange, interest rate and credit products income driven by higher contributions from financing origination and continued strong client hedging activity in structured foreign exchange products, in CGM.

### Fee and commission income

FULL YEAR TO	
31 Mar 26	31 Mar 25
\$Am	\$Am
3,143	2,610

↑20%

on prior year

Largely driven by:

- higher structuring fees in commodities products and increased client activity in Futures, in CGM
- higher recoveries of the Central Service Group's cost base from the Non-Bank Group
- higher income driven by growth in average funds on platform, the loan portfolio and deposits, in BFS.

### Net investment income

FULL YEAR TO	
31 Mar 26	31 Mar 25
\$Am	\$Am
3,859	688

↑

substantially

on prior year

Largely driven by:

- a gain on the transfer of CGM's North American Power, Gas and Emissions business to the Non-Bank Group
- a gain on sale from the divestment of the OnStream meters platform in CGM.

### Credit and other impairment (charges)/reversals

FULL YEAR TO	
31 Mar 26	31 Mar 25
\$Am	\$Am
(358)	(150)

↑

substantially

on prior year

Largely driven by:

- higher credit impairment charges due to portfolio growth, uncertainty in the macroeconomic environment and specific impairments for a small number of counterparties, in CGM.

### Net other operating income

FULL YEAR TO	
31 Mar 26	31 Mar 25
\$Am	\$Am
546	516

↑6%

on prior year

Largely driven by:

- increased contribution from the meters sector.

# Operating and financial review

Review of performance and financial position continued

## Operating expenses

Total operating expenses of \$A7,994 million for the year ended 31 March 2026 increased 7% from \$A7,479 million in the prior year. This increase was primarily driven by higher employment and brokerage, commission and fee expenses.

Employment expenses			Brokerage, commission and fee expenses		
FULL YEAR TO			FULL YEAR TO		
31 Mar 26	31 Mar 25		31 Mar 26	31 Mar 25	
\$Am	\$Am		\$Am	\$Am	
5,060	4,811	↑5% on prior year	777	644	↑21% on prior year
Largely driven by:			Largely driven by:		
<ul style="list-style-type: none"> <li>higher performance-related profit share</li> <li>wage inflation.</li> </ul>			<ul style="list-style-type: none"> <li>increased hedging and trading-related expenses across equities, foreign exchange, interest rates and credit, in CGM.</li> </ul>		
Non-salary technology expenses			Other operating expenses		
FULL YEAR TO			FULL YEAR TO		
31 Mar 26	31 Mar 25		31 Mar 26	31 Mar 25	
\$Am	\$Am		\$Am	\$Am	
1,005	961	↑5% on prior year	1,152	1,063	↑8% on prior year
Largely driven by:			Largely driven by:		
<ul style="list-style-type: none"> <li>increased investment in technology initiatives, with a focus on data and digitalisation, to support business growth and scalable operations.</li> </ul>			<ul style="list-style-type: none"> <li>higher expenses due to increased investment in the CGM platform, including adjacent business opportunities and significant transaction-related costs, in CGM</li> <li>provisions related to specific legal matters.</li> </ul>		

## Income tax expense and Effective tax rate

Income tax expense		
FULL YEAR TO		
31 Mar 26	31 Mar 25	
\$Am	\$Am	
1,090	996	↑9% on prior year
Effective tax rate		
FULL YEAR TO		
31 Mar 26	31 Mar 25	
%	%	
15.4	22.4	↓7.0% on prior year

The movement was largely driven by the non-assessable gain recognised on the transfer of CGM's North American Power, Gas and Emissions business to the Non-Bank Group, as well as geographical composition and nature of earnings.

## Statement of financial position

The Consolidated Entity's Statement of financial position was impacted during the year ended 31 March 2026 by changes resulting from a combination of business activities, Group Treasury management initiatives and macroeconomic factors.

### Total assets

AS AT		↑ <b>23%</b> on 31 Mar 25
31 Mar 26	31 Mar 25	
\$Ab	\$Ab	
<b>463.1</b>	375.2	

Total assets of \$A463.1 billion as at 31 March 2026 increased 23% from \$A375.2 billion as at 31 March 2025.

The principal drivers for the increase were as follows:

- loan assets of \$A226.2 billion as at 31 March 2026 increased 25% from \$A181.4 billion as at 31 March 2025, driven by volume growth in BFS home loans and corporate, commercial and other lending, in CGM
- derivative assets of \$A42.2 billion as at 31 March 2026 increased 77% from \$A23.9 billion as at 31 March 2025, driven by movements in gas and power commodity prices due to market volatility. After taking into account related financial instruments, cash and other collateral, the residual derivative exposure was \$A11.6 billion (31 March 2025: \$A6.9 billion). The majority of the residual derivative exposure is short-term in nature and managed within the Consolidated Entity's market and credit risk frameworks, with a substantial portion of the exposure with investment grade counterparties
- cash collateralised lending and reverse repurchase agreements of \$A77.3 billion as at 31 March 2026 increased 28% from \$A60.2 billion as at 31 March 2025, driven by an increase in holdings of reverse repurchase agreements as part of Group Treasury's liquid asset portfolio management and higher trading activity, in CGM
- trading assets of \$A38.2 billion as at 31 March 2026 increased 29% from \$A29.7 billion as at 31 March 2025, driven by an increase in holdings of listed equity securities, in CGM
- financial investments of \$A23.6 billion as at 31 March 2026 increased 38% from \$A17.1 billion as at 31 March 2025, driven by growth in the portfolios of high quality liquid assets held across Group Treasury's liquidity portfolio.

### Total liabilities

AS AT		↑ <b>25%</b> on 31 Mar 25
31 Mar 26	31 Mar 25	
\$Ab	\$Ab	
<b>438.5</b>	352.2	

Total liabilities of \$A438.5 billion as at 31 March 2026 increased 25% from \$A352.2 billion as at 31 March 2025.

The principal drivers for the increase were as follows:

- deposits of \$A221.5 billion as at 31 March 2026 increased 25% from \$A177.7 billion as at 31 March 2025, driven by volume growth in deposits, in BFS
- derivative liabilities of \$A36.3 billion as at 31 March 2026 increased 56% from \$A23.2 billion as at 31 March 2025, commensurate with the movement in derivative assets
- issued debt securities and other borrowings of \$A94.6 billion as at 31 March 2026 increased 10% from \$A85.8 billion as at 31 March 2025, driven by the net issuance of commercial paper, certificates of deposit and borrowings, in Group Treasury
- margin money and settlement liabilities of \$A27.7 billion as at 31 March 2026 increased 17% from \$A23.6 billion as at 31 March 2025, driven by an increase in margin placed by financial institutions and broker settlement balances, in CGM
- trading liabilities of \$A12.3 billion as at 31 March 2026 increased 112% from \$A5.8 billion as at 31 March 2025, driven by an increase in short positions on listed equity securities, in CGM.

### Total equity

AS AT		↑ <b>7%</b> on 31 Mar 25
31 Mar 26	31 Mar 25	
\$Ab	\$Ab	
<b>24.6</b>	23.0	

Total equity of \$A24.6 billion as at 31 March 2026 increased 7% from \$A23.0 billion as at 31 March 2025.

The principal drivers for the increase were as follows:

- \$A6.0 billion of earnings generated during the current period. Partially offset by:
  - \$A0.7 billion decrease in the foreign currency translation reserve, largely driven by the appreciation of the Australian Dollar against the United States Dollar
  - \$A3.5 billion in dividend payments.

# 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.

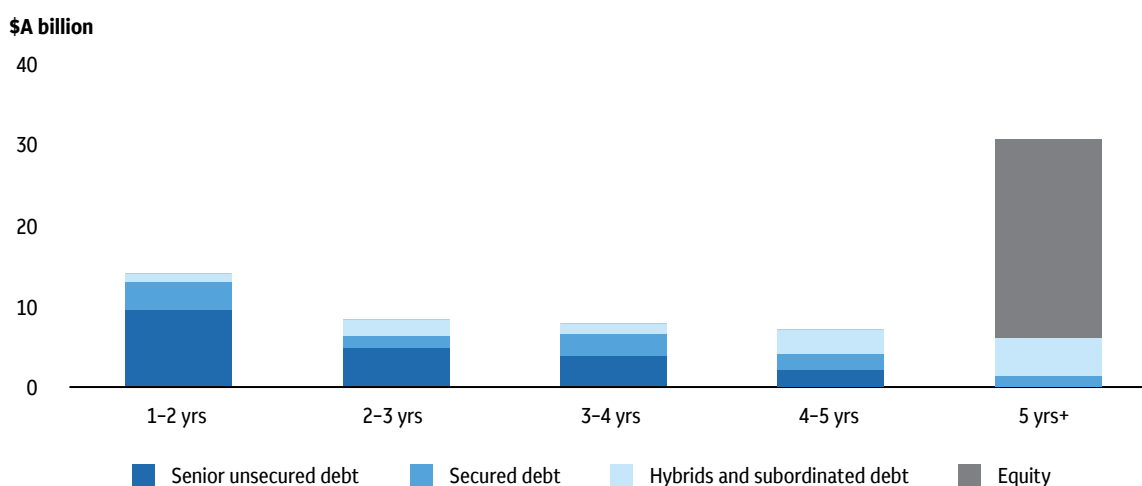
Macquarie Bank has diversity of funding across a range of tenors, currencies and products. The weighted average term to maturity of term funding maturing beyond one year (excluding deposits, equity and securitisations) was 3.4 years as at 31 March 2026.

**3.4**  
years

Weighted  
average  
maturity

## Term funding profile

Detail of drawn funding maturing beyond one year



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

Details of term funding raised between 1 April 2025 and 31 March 2026:

		Total \$Ab
Issued paper	- Senior unsecured	16.6
Loan capital	- Subordinated debt	4.1
Secured funding	- Term securitisation, covered bond and secured facilities	3.7
Loan facilities	- Unsecured loan facilities	0.9
<b>Total<sup>4</sup></b>		<b>25.3</b>

<sup>4</sup> Issuances cover a range of tenors, currencies and product types and are Australian dollar equivalent based on foreign exchange rates at the time of issuance. Includes refinancing of loan facilities.

## Capital

The Bank Group's Level 2 minimum Common Equity Tier 1 (CET1) capital ratio in accordance with Prudential Standard APS 110 Capital Adequacy is 9%. This includes the industry minimum CET1 prudential capital requirement (PCR) of 4.5%, capital conservation buffer (CCB) of 3.75% and a countercyclical capital buffer (CCyB)<sup>5</sup> of 0.75%. The corresponding requirement for Tier 1 capital and Total capital is 10.5% and 17%, respectively, inclusive of the CCB, CCyB<sup>5</sup> and APRA's loss-absorbing capacity (LAC) requirements. APRA also requires ADIs to maintain a minimum leverage ratio of 3.5%. In addition, APRA may impose ADI-specific minimum ratios which may be higher than these levels.

Macquarie Bank is well capitalised, with the following capital adequacy ratios as at 31 March 2026.

Bank Group Level 2 Basel III ratios	APRA Basel III	Harmonised Basel III <sup>6</sup>
Common Equity Tier 1 Capital Ratio	12.8%	17.5%
Tier 1 Capital Ratio	14.2%	19.2%
Total Capital Ratio	21.4%	27.9%
Leverage Ratio	4.7%	5.3%



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)

<sup>5</sup> The CCyB of the Bank Group at 31 March 2026 is 0.79%; this is rounded to 0.75% for presentation purposes. The individual CCyB varies by jurisdiction and the Bank Group CCyB is calculated as a weighted average based on exposures in different jurisdictions at period end.

<sup>6</sup> 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

### Western Downs Green Power Hub, Australia

The Western Downs Green Power Hub is a large renewable energy project, operated by Neoen, supporting grid flexibility as renewable capacity grows. Commodities and Global Markets secured virtual tolling access to the project's battery, enabling flexible dispatch and enhanced management of intraday power price volatility.





# Directors' Report

For the financial year ended 31 March 2026

The Directors of MBL submit their report with the financial report of the Consolidated Entity and the Company for the year ended 31 March 2026.

## Principal activities

The principal activity of MBL during the financial year ended 31 March 2026 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 2026 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 2026 was \$A6,011 million (2025: \$A3,445 million).

## Dividends and distributions

On 29 August 2025 and 30 September 2025, the Company paid an ordinary dividend of \$A2,900 million and \$A650 million, respectively.

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

## State of affairs

Effective on 29 August 2025, the Consolidated Entity completed the sale of the Commodity Markets and Finance (CMF) division's North American Power, Gas & Emissions (NAPGE) and certain Canadian physical oil marketing businesses, together with Macquarie International Finance Limited (MIFL) to Macquarie Group Limited.

Other than the above, 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 2026.

## 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 AM

R.J. McGrath AM

M. Roche

I.M. Saines

D.J.K. Whiteing

### Executive Voting Directors

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

S.R. Wikramanayake

The Directors listed above each held office as a Director of MBL throughout the financial year ended 31 March 2026.

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) against 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 8 July 2025.

# Directors' Report

For the financial year ended 31 March 2026 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
<b>Executive Voting Director</b>		
S.D. Green	Macquarie ordinary shares (MQG)	166
	Macquarie Group Employee Retained Equity Plan (MEREPA) Restricted Share Units (RSUs) <sup>1</sup>	43,553
	MEREPA Performance Share Units (PSUs) <sup>1</sup>	54,434
	Macquarie Private Infrastructure Fund units	90,000
S.R. Wikramanayake	MQG	1,367,744
	MEREPA RSUs <sup>1</sup>	484,828
	MEREPA PSUs <sup>1</sup>	77,763
	MAFCA Investments Pty Ltd ordinary shares	2,000,000
<b>Independent Directors</b>		
J.R. Broadbent AC	MQG	14,896
	Macquarie Group Capital Notes 4 (MCN4)	6,000
	Macquarie Bank Capital Notes 2 (BCN2)	1,500
W.S. Byres	MQG	1,066
P.M. Coffey	MQG	8,895
	Walter Scott Global Equity Fund units	156,378.90
	IFP Global Franchise Fund II units	567,848.22
M.A. Hinchliffe	MQG	2,800
S.J. Lloyd-Hurwitz AM	MQG	2,398
R.J. McGrath AM	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	5,857
D.J.K. Whiteing	MQG	-

<sup>1</sup> 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 36 *Employee equity participation* to the financial statements in the Financial Report.

## 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 <sup>2</sup>	BAC meetings <sup>2,3</sup>	BCC meetings <sup>2</sup>	BGCC meetings <sup>2,3</sup>	BRC meetings <sup>2,3</sup>	BRIC meetings <sup>2,3</sup>	Special Board meetings <sup>2</sup>
<b>Number of meetings</b>		8	8	9	5	7	6	2
<b>Chair and Executive Directors</b>								
G.R. Stevens AC	●	8/8		9/9				2/2
S.D. Green	●	8/8		9/9				2/2
S.R. Wikramanayake		8/8						2/2
<b>Non-Executive Directors</b>								
J.R. Broadbent AC	ⓐ ●	8/8				7/7	6/6	2/2
W.S. Byres	● ● ● ●	8/8	7/8	9/9	4/5		6/6	2/2
P.M. Coffey	● ⓐ	8/8			5/5		6/6	2/2
M.A. Hinchliffe	ⓐ ●	8/8	8/8		5/5			2/2
S.J. Lloyd-Hurwitz AM	● ●	7/8 <sup>4</sup>	8/8			7/7		2/2
R.J. McGrath AM	ⓐ ●	7/8			5/5		6/6	2/2
M. Roche	● ● ●	8/8	7/8			7/7	6/6	2/2
I.M. Saines	ⓐ ● ●	8/8		9/9		7/7	6/6	2/2
D.J.K. Whiteing	● ● ● ●	8/8	8/8	9/9	5/5	7/7		2/2

### 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) at the time, Mr Alex Harvey.

There was one Board Risk Committee sub-committee convened during the period, with one meeting held. The meeting was attended by all eligible sub-committee members, being Mr Byres, Mr Coffey, Ms McGrath and Mr Roche.

<sup>2</sup> Number of meetings attended by the member/total number of meetings eligible to attend as a member.

<sup>3</sup> There was one meeting of the relevant committee that was a joint meeting during the year.

<sup>4</sup> Ms Lloyd-Hurwitz's non-attendance in December 2025 was due to medical leave.

## Directors' experience and special responsibilities



### Glenn R Stevens AC

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

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**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

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**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 2021.

Stuart joined Macquarie Group in 2001 in the Specialised and Asset Finance group and has held senior roles including Global Head of Investor Relations for Macquarie's portfolio of listed funds, Head of Corporate Communications and Investor Relations, and Group Treasurer.

Prior to joining Macquarie, Stuart worked in the UK as a Chartered Accountant in public practice for BDO Binder, and held a number of corporate roles as head of finance and corporate strategy.

#### Other current directorships/appointments

- Member, Australian Banking Association Council
- Chair, Australian Banking Association - Finance, Audit and Risk Committee
- 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 has been Managing Director and CEO of Macquarie Group Limited since late 2018.

Shemara joined Macquarie Group in 1987 in Macquarie Capital in Sydney. In her time at Macquarie Group, she 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.

Over her decade as Head of Macquarie Asset Management before her appointment as CEO, the business grew to become a world-leading manager of infrastructure and real assets and a leading 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, Global Investors for Sustainable Development Alliance

## Gender diversity



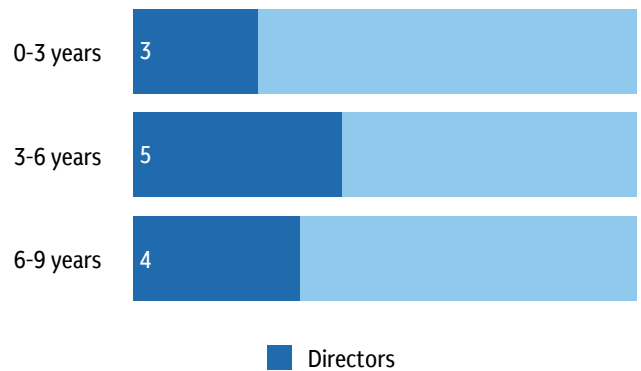
Female:

5

Male:

7

## Board tenure



Directors

## 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, FCSI

**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. Mr Byres has also served as an advisor to the International Monetary Fund on banking and financial matters.

### Listed company directorships (last three years)

- Director, ASX Limited (since May 2024)



### 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) (January 2017 - March 2026)

#### 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 Group Holdings plc and various subsidiaries
- Member, Institute of Chartered Accountants in England and Wales (ICAEW), Australasia Strategy Advisory Group

# Directors' experience and special responsibilities

Continued



## Susan J Lloyd-Hurwitz AM

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)

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

### Other current directorships/appointments

- Chair, Advisory Board, Gender Equality and Inclusion @ Work
- Chair, Australian National Housing Supply & Affordability Council
- Global Board member, INSEAD
- Member, Sydney Opera House Trust
- Fellow, University of Sydney Senate



## Rebecca J McGrath AM

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

**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 Oz Minerals Limited, 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)

- Director, Djerriwarrh 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 and a Non-Executive Director of Te Pahau Management Limited.

### Listed company directorships (last three years)

- Director, Wesfarmers Limited (since February 2019)

### Other current directorships/appointments

- Director, MaxCap Group Pty 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 (June 2010 - April 2026)

### 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)

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**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 (USYD), FGIA

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Company Secretary since December 2022

### Experience

Simone Kovacic is an Executive 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 Herbert Smith Freehills Kramer (formerly Freehills) in Sydney.

### Olivia Shepherd

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

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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 Limited since 2021.

He leads a team responsible for protecting and promoting the interests of Macquarie Bank Limited, supporting its growth, and ensuring appropriate focus is placed on the Bank within the broader group.

Since joining Macquarie in 2001 in the Specialised and Asset Finance group, Stuart has held senior roles including Global Head of Investor Relations for Macquarie's portfolio of listed funds, Head of Corporate Communications and Investor Relations, and Group Treasurer.

Prior to joining Macquarie, Stuart worked in the UK as a Chartered Accountant in public practice for BDO Binder, and held a number of corporate roles as head of finance and corporate strategy.



## 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 Managing Director and CEO of Macquarie Group Limited since late 2018.

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

Over her decade as Head of Macquarie Asset Management before her appointment as CEO, the business grew to become a world-leading manager of infrastructure and real assets and a leading global public securities manager.

Shemara 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 Alliance.



## Evie N Bruce

Group General Counsel  
Head of Legal and Governance Group

Chair of the Macquarie Group Foundation

Member of Executive Committee since 2 March 2022

### Experience

Evie has been Group General Counsel and Head of the Legal and Governance Group since joining Macquarie in 2022.

She leads a global group of lawyers and governance professionals that protect and represent the interests of Macquarie.

With around 30 years' practice and management experience across ANZ, Asia and the US, Evie joined Macquarie from Mallesons where she led the law firm's extensive global engagement with Macquarie's businesses for a number of years.

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

In 2025, she became Chair of the Macquarie Group Foundation.

# Executive Committee

Continued



## Andrew F Cassidy

Chief Risk Officer  
Head of Risk Management Group

Member of Executive Committee since 1 January 2022

### Experience

Andrew has been Chief Risk Officer and Head of Risk Management Group since 2022.

He leads the central function responsible for independent and objective review and challenge, oversight, monitoring and reporting in relation to Macquarie's material risks.

Since joining Macquarie in 2004, Andrew spent over 15 years working in Macquarie Capital, across various roles including leadership of Macquarie's principal investment activity in Asia Pacific.

He joined the Risk Management Group in 2019 and has overseen the continued strengthening of Macquarie's risk framework.



## Frank P Kwok

Chief Financial Officer  
Group Treasurer  
Head of Financial Management, People and Engagement

Member of Executive Committee since 1 January 2026

### Experience

Frank has been Chief Financial Officer and Head of Financial Management, People and Engagement since 2026, and Group Treasurer since 2024.

He leads a global team responsible for managing Macquarie's financial, tax and treasury activities and strategic priorities, fostering our culture through people and community engagement strategies, and engaging with stakeholders to protect and promote our reputation globally.

Since joining Macquarie in 1997, Frank has held senior positions across the Group, including Deputy Chief Financial Officer, Head of Real Assets Asia-Pacific within Macquarie Asset Management (MAM), Chief Operating Officer of MAM's Private Markets business, and Chief Financial Officer of Macquarie Airports.

## Gender diversity



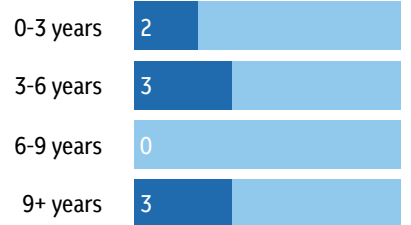
Female:

3

Male:

5

## Committee tenure



■ Committee members



### Nicole G Sorbara

Chief Operating Officer  
Head of Corporate Operations Group

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Member of Executive Committee since  
1 January 2013

#### Experience

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

She leads a 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

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Member of Executive Committee since  
3 March 2005

#### Experience

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

He leads a team providing digital-first personal banking, business banking and wealth management products and services in Australia.

After joining Macquarie in 1996, the year the organisation became publicly listed, he became Chief Financial Officer for 14 years before being appointed Deputy Managing Director of Macquarie Group. He was also Chief Executive Officer of the Group's banking subsidiary, Macquarie Bank, from 2011 to 2013.

He has over 30 years' experience in finance and financial services, and during his tenure has driven the growth of Macquarie's retail financial services business.



### Simon L Wright

Head of Commodities and  
Global Markets

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Member of Executive Committee since  
1 April 2024

#### Experience

Simon has been Head of Commodities and Global Markets since 2024.

He is responsible for a global business offering capital and financing, risk management, market access, and physical execution and logistics solutions across Commodities, Financial Markets and Asset Finance.

Since joining Macquarie in 1989, Simon has held a number of senior roles within Commodities and Global Markets, including leading the build and oversight of Macquarie's global Financial Markets platform. Prior to his current role, he was the Head of the Fixed Income and Currencies division.

# 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 strong net profit contribution, against a backdrop of uncertain global economic conditions. Our FY2026 financial results reflect growth across both BFS and CGM, our conservative balance sheet and prudent approach to capital, funding and liquidity.

The Board continues to exercise informed judgement and apply significant oversight to ensure remuneration decisions reflect a broad range of financial and non-financial factors. Consistent with this longstanding approach, Macquarie Bank's deferral and vesting arrangements support the retention of high-performing staff and delivery of long-term alignment to MBL's stakeholders, clients and customers, while enabling the Board to assess risk outcomes over a longer period. These features have been a key driver of our success and are consistent with practices at other global, diversified financial institutions with which we compete for talent.

As required under APRA Prudential Standard CPS 511 Remuneration (CPS 511), the first triennial effectiveness review of our remuneration framework was completed during FY2026. This review, conducted by independent consultants, allowed the Board to test the robustness of the remuneration framework, including governance, remuneration decisions, people capability and supporting systems. The review confirmed that non-financial risk performance is meaningfully embedded in the remuneration decision-making process. At the same time, the Board recognises that effective management of non-financial risks requires ongoing vigilance and a continued commitment to identifying and addressing issues as they arise, including making appropriate adjustments to remuneration.

The Board acknowledges the reputational and financial impact of risk and regulatory matters arising during the year. The Board applied downward adjustments to the MBL CEO, MGL CEO and four other Executive KMP reflecting instances where the Board's expectations in relation to risk management and compliance were not met. This included in relation to the Shield Master Fund matter (refer to the MBL CEO's letter for additional context for this matter). Further details on the FY2026 remuneration adjustments can be found on pages 139 to 140 of the Remuneration Report in the MGL Annual Report.

As previously disclosed, additional qualifying conditions were imposed on the release of a portion of retained profit share for individuals who were Executive Committee members during FY2021, to reflect APRA's findings on prudential and reporting standards. A portion of those FY2021 retained profit share awards remains subject to an outstanding qualifying condition relating to completion of the remediation program and closure by APRA. During the year, no portion subject to this condition was released. The remediation program remains on track and continues to progress as planned. During the year, several key deliverables were achieved and are now embedded into business-as-usual operations. In February 2026, APRA removed the Net Stable Funding Ratio (NSFR) adjustment and partially removed the Liquidity Coverage Ratio (LCR) overlay. Regular engagement with APRA and ongoing oversight by the Executive Committee continue to support the effective delivery of the program.

## Key Management Personnel (KMP) for FY2026

All the individuals listed below have been determined to be KMP for FY2026. 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 the Non-Executive Directors (NEDs) of MBL. The NEDs are independent and are not considered part of management.

Name	Position	Term as KMP for FY2026
<b>Non-Executive Directors</b>		
<b>Common Non-Executive Directors</b>		
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 AM	Independent Director	Full year
Rebecca J McGrath AM	Independent Director	Full year
Mike Roche	Independent Director	Full year
Glenn R Stevens AC	Independent Chair	Full year
<b>Bank-only Non-Executive Directors</b>		
Wayne S Byres	Independent Director	Full year
Ian M Saines	Independent Director	Full year
David JK Whiteing	Independent Director	Full year
<b>Executive KMP</b>		
<b>Executive Voting Directors</b>		
Stuart D Green	Managing Director and CEO of MBL	Full year
Shemara R Wikramanayake	Managing Director and CEO of MGL	Full year
<b>Other Executive KMP</b>		
Evie N Bruce	Group General Counsel and Head of Legal and Governance Group (LGG)	Full year
Andrew F Cassidy	Chief Risk Officer (CRO) and Head of Risk Management Group (RMG)	Full year
Nicole G Sorbara	Chief Operating Officer (COO) and Head of Corporate Operations Group (COG)	Full year
Greg C Ward	Deputy Managing Director of MGL and Head of Banking and Financial Services (BFS)	Full year
Simon L Wright	Head of Commodities and Global Markets (CGM)	Full year
<b>New and former Executive KMP</b>		
Alex H Harvey	Former Chief Financial Officer (CFO) and Head of Financial Management, People and Engagement (FPE)	Part year (to 31 December 2025)
Frank P Kwok	CFO, Group Treasurer and Head of FPE	Part year (from 1 January 2026)

The tables below outline the appointments and exits for Executive KMP during FY2026.

### Executive KMP appointments

Remuneration arrangements for newly appointed Executive KMP are made in line with the executive remuneration framework, the executive's experience, capability and appropriate competitiveness with the market.

Executive	Additional details
<b>Frank P Kwok</b> Appointed 1 January 2026	Mr Kwok was appointed as CFO and Head of FPE and joined the Executive Committee on 1 January 2026, and has been Group Treasurer since 2024. Mr Kwok has held senior positions across Macquarie including Deputy CFO, and in the Real Assets business of Macquarie Asset Management in several regions, including leading the team in Asia-Pacific and a four-year period as CFO of ASX-listed Macquarie Airports.

### Executive KMP exit arrangements

Exit arrangements for Alex Harvey are outlined below and in line with contractual arrangements and provision of benefits required by law.

Executive	Additional details
<b>Alex H Harvey</b> Ceased as KMP on 31 December 2025	Mr Harvey remains currently employed with Macquarie but intends to retire during FY2027. As such, he remained eligible to receive a FY2026 profit share allocation. He is not eligible for a FY2026 PSU allocation. The Board may exercise discretion for the vesting and release of Mr Harvey's unvested profit share and PSU awards after his employment with Macquarie has ended. For unvested profit share awarded in respect of FY2024 and subsequent years, the release will be kept in line with the original vesting schedule. For unvested profit share awarded in respect of FY2023 and prior years, vesting may be accelerated in line with the original terms of the awards (see footnote 4 on page 43). Unvested PSUs will continue to vest in accordance with the original award schedule and remain subject to the same terms and performance hurdles.

# Remuneration Report

Continued

## Our executive remuneration framework

Macquarie Bank's longstanding and consistent approach to remuneration ensures we continue to attract, motivate and retain exceptional people with deep industry expertise across the 18 markets in which we operate.

Macquarie Bank's remuneration framework plays an important role in aligning employees to Macquarie Group's purpose statement ('Empowering people to innovate and invest for a better future') and *What We Stand For* principles of **Opportunity**, **Accountability** and **Integrity**.

The remuneration framework is regularly reviewed to ensure it remains fit for purpose, aligned with stakeholder expectations, and compliant with (and reflective of the spirit and intent of) relevant regulatory requirements, including CPS 511 and the Financial Accountability Regime (FAR). In line with CPS 511, an independent triennial effectiveness review was conducted in FY2026, confirming strong governance, processes and systems, and the meaningful incorporation of non-financial risk performance into the remuneration decision-making process.

### Remuneration Objectives

Macquarie Bank's remuneration framework is designed to:



Attract, motivate and retain exceptional people with deep industry experience



Deliver strong company performance over the short and long-term



Drive behaviours that reflect the best interests of Macquarie Bank and its culture and support effective and prudent risk management



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



Foster a diverse and inclusive work environment

### Remuneration principles

The remuneration objectives are achieved by:



Emphasising performance-based remuneration measured against financial and non-financial factors



Having the ability to adjust variable remuneration to reflect risk outcomes



Retaining a significant proportion of variable remuneration to consider risk outcomes over the long-term



Delivering retained profit share in MGL equity to align the interests of staff and MBL's stakeholders over the long-term



Rewarding high-performing staff appropriately relative to global peers



Providing consistent arrangements over time to give staff confidence to pursue multi-year initiatives

## FY2026 executive remuneration framework

### Fixed remuneration

- Comprises base salary, superannuation and standard country-specific benefits in line with local market practice.
- Set at a comparatively low level, relative to the external market.
- In line with our pay for performance approach, fixed remuneration for our Executive KMP in FY2026 comprised approximately 10% of total awarded remuneration, with the balance at risk and explicitly linked to performance.

### Performance-based remuneration

	Profit share (see pages 42 to 43)	Performance Share Units (PSUs) (see page 44)
<b>Determination</b>	Individual allocations are determined based on performance against four factors (one financial and three non-financial): <ul style="list-style-type: none"> <li>• financial/business results</li> <li>• risk management and compliance</li> <li>• business leadership including outcomes for customers, clients and the community</li> <li>• people leadership and professional conduct</li> </ul>	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 (taking into consideration both financial and non-financial factors). PSUs vest based on: <ul style="list-style-type: none"> <li>• performance against MGL Earnings per Share (EPS) and Return on Equity (ROE), equally weighted hurdles (there is no retesting of hurdles)</li> <li>• a pre-vest assessment which considers the Executive Committee's collective contribution to Macquarie Bank's financial soundness and non-financial performance of culture and risk</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>• paid as a mix of available (cash) and retained (equity) portions</li> <li>• 60% is retained for the MBL CEO, 70% for the MGL CEO and 50% for other Executive KMP</li> <li>• retained profit share: one third vesting over three to five years, invested in a combination of MGL equity and Macquarie-managed fund equity</li> </ul>	<ul style="list-style-type: none"> <li>• structured as Deferred Share Units (DSUs) with no exercise price</li> <li>• vest after five years for the MBL CEO and MGL CEO and four years for other Executive KMP</li> </ul>
<b>Subject to in-year adjustments, Malus and Clawback (see page 45)</b>		

### Time horizons over which performance-based remuneration is determined, delivered and subject to risk adjustments

Component	Financial Year	+ 1	+ 2	+ 3	+ 4	+ 5	+ 6	+ 7
Profit Share	Available (cash)	●						
	Retained (equity)			●				
					●			
PSUs	Retained (equity)					●		
					●			

#### Key

● Payment or vesting (shortly after the end of the relevant year)

Period subject to Malus

Period subject to Clawback

# Remuneration Report

Continued

## FY2026 performance-based remuneration - further detail

Executive KMP FY2026 remuneration outcomes were presented to the BRC several times over the course of the annual remuneration review process. This cadence provided the BRC with multiple opportunities to review, challenge and confirm remuneration decisions and consider and reflect on all relevant factors to ensure they have been appropriately considered before making the final remuneration decisions.

### Profit Share

#### Key considerations in determining profit share pools and allocations

The following provides an overview of the key factors considered in the determination of the profit share pools and individual Executive KMP profit share allocations.

Operating/Central Service Group profit share pools		Individual profit share allocations
<p>The initial Operating and Central Service Group profit share pools are determined through a combination of a top-down and bottom-up approach. The primary considerations and approach to calculating the profit share pools differ by Group and business and are reflective of the different contexts and markets in which they operate.</p>		<p>Individual profit share allocations reflect an employee's performance, in line with the performance management framework, based on:</p> <ul style="list-style-type: none"> <li>• <b>What</b> was achieved, measured against their objectives under four factors: <ul style="list-style-type: none"> <li>- financial/business results</li> <li>- risk management and compliance</li> <li>- business leadership including outcomes for customers, clients and the community</li> <li>- people leadership and professional conduct</li> </ul> </li> <li>• <b>How</b> the objectives were achieved, measured against Macquarie's cultural, behavioural and leadership standards</li> </ul> <p>Consideration is also given to:</p> <ul style="list-style-type: none"> <li>• Outcomes delivered to MBL's stakeholders including our customers, clients and communities in which we operate</li> <li>• Risk-related matters raised in the independent reports from the Chief Risk Officer (CRO) and the Head of Internal Audit, as well as compliance and conduct outcomes</li> <li>• Relativities in the global markets in which each business competes for talent, including industries that are not publicly listed with undisclosed remuneration levels.</li> </ul>
<p><b>Financial</b></p> <ul style="list-style-type: none"> <li>• Operating Groups: considerations include contribution to company-wide profits, return on regulatory capital and funding requirements and usage.</li> <li>• Central Service Groups: based on the quality and integrity of control functions and support services and not primarily determined with reference to profitability.</li> </ul>	<p><b>Non-Financial</b></p> <ul style="list-style-type: none"> <li>• Risk management: risk profile and regulatory environment of each business, financial and non-financial risks (including regulatory, MBL's funding and capital management strategy, reputational, cultural or compliance matters).</li> <li>• Business-specific: maturity of the business, reliance on intellectual versus financial capital, impact of one-time gains/losses.</li> <li>• Market position/trends and staff retention considerations.</li> </ul>	
<p><b>Macquarie Bank considerations</b></p> <p>The company-wide profit share pool is an aggregate of the assessments conducted at both the Operating/Central Service Group level and individual level. Considerations at a Macquarie Bank level include profitability, capital and liquidity considerations, the reasonableness of MGL's compensation expense to income ratio (and how it compares to that of external comparators), and regulatory and risk considerations.</p> <p>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.</p>		

The Board's determination of remuneration outcomes for FY2026 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
- progress against a number of key non-financial priorities, including:
  - continued oversight and review by the Executive Committee and BRC of recent regulatory matters. Broader learnings include deepening understanding of root causes, applying insights more holistically across the organisation and engaging proactively with regulators to maintain a constructive and forward-looking dialogue
  - continued focus on strengthening data foundations, uplifting platforms through the delivery of several enterprise programs, and the ongoing rollout of tools to drive automation and operational efficiency
  - sustained strong employee engagement.

As set out on page 38, the Board acknowledges the reputational and financial impact of risk and regulatory matters arising during the year, which the Board has taken into account in determining remuneration outcomes, including through a reduction in FY2026 profit share allocations for the MBL CEO, MGL CEO and four other Executive KMP.

## Other key features of FY2026 profit share allocations

The table below outlines key features of FY2026 profit share allocations for the MBL CEO, MGL CEO and other Executive KMP.

<p><b>Retention and vesting</b></p>	<p>Profit share is delivered as a mix of available profit share (cash) and retained profit share (MGL ordinary shares and Macquarie-managed fund equity).</p> <p>Retention and deferral arrangements are designed to retain high-performing staff, while also providing significant long-term alignment to MBL's stakeholders and enable risk outcomes to be considered over a longer period.</p> <p>The table below summarises the standard retention and vesting arrangements applicable for FY2026. The vesting periods set out below do not include the performance year, but begin following the date remuneration is awarded.</p> <table border="1" data-bbox="405 636 1453 786"> <thead> <tr> <th></th> <th style="text-align: center;">Profit share retention %<sup>1</sup></th> <th style="text-align: center;">Vesting and release of retained profit share</th> </tr> </thead> <tbody> <tr> <td>MBL CEO</td> <td style="text-align: center;">60</td> <td rowspan="3" style="text-align: center;">One-third in each of years 3-5</td> </tr> <tr> <td>MGL CEO</td> <td style="text-align: center;">70</td> </tr> <tr> <td>Other Executive KMP</td> <td style="text-align: center;">50</td> </tr> </tbody> </table> <p>The Board retains discretion to change remuneration arrangements, including profit share retention levels and imposing additional conditions on vesting of retained profit share as necessary.</p>		Profit share retention % <sup>1</sup>	Vesting and release of retained profit share	MBL CEO	60	One-third in each of years 3-5	MGL CEO	70	Other Executive KMP	50
	Profit share retention % <sup>1</sup>	Vesting and release of retained profit share									
MBL CEO	60	One-third in each of years 3-5									
MGL CEO	70										
Other Executive KMP	50										
<p><b>Investment of retained profit share</b></p>	<p>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. The allocation reflects the nature of their role and responsibilities as set out in the table below.</p> <table border="1" data-bbox="405 958 1453 1081"> <thead> <tr> <th></th> <th style="text-align: center;">MEREP (MGL ordinary shares) %<sup>2</sup></th> <th style="text-align: center;">DPS Plan (Macquarie-managed fund equity) %<sup>3</sup></th> </tr> </thead> <tbody> <tr> <td>MBL CEO and MGL CEO</td> <td style="text-align: center;">90</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Other Executive KMP</td> <td style="text-align: center;">80-90</td> <td style="text-align: center;">10-20</td> </tr> </tbody> </table>		MEREP (MGL ordinary shares) % <sup>2</sup>	DPS Plan (Macquarie-managed fund equity) % <sup>3</sup>	MBL CEO and MGL CEO	90	10	Other Executive KMP	80-90	10-20	
	MEREP (MGL ordinary shares) % <sup>2</sup>	DPS Plan (Macquarie-managed fund equity) % <sup>3</sup>									
MBL CEO and MGL CEO	90	10									
Other Executive KMP	80-90	10-20									
<p><b>Adjustment tools</b></p>	<p>In-year adjustment, Malus and Clawback provisions apply to profit share, as set out on page 45.</p>										
<p><b>Treatment upon departure from Macquarie</b></p>	<p>Unvested retained profit share will be forfeited upon termination of employment. The Board may, at its discretion, allow vesting after departure in circumstances such as retirement, redundancy, death, serious incapacitation, disability or serious ill-health. For Executive KMP, any approved release of unvested retained profit share will vest in accordance with the original vesting schedule, except in cases of death or serious incapacitation.<sup>4</sup></p>										

<sup>1</sup> Profit share that is not retained (available profit share) is delivered in cash and is generally paid in May each year.

<sup>2</sup> 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).

<sup>3</sup> 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 KMP do not directly hold securities in relation to this investment.

<sup>4</sup> In the case of death or serious incapacitation, the Board will typically accelerate the vesting of retained profit share and immediately release it. For awards made in respect of FY2022 and earlier years, where the release relates to relevant circumstances other than death or serious disability, the release will occur at six months, 12 months and 24 months after the Executive KMP leaves; for awards made in respect of FY2023, the release will occur at 12 months and 24 months after the Executive KMP leaves.

# Remuneration Report

Continued

## Performance Share Units (PSUs)

PSUs may be allocated to Executive KMP to reflect their role as members of the Executive Committee and their contribution to driving the collective performance of Macquarie Bank. The table below sets out the key features of the FY2026 PSU awards.

<b>Allocation</b>	<p>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 contribution to driving the collective performance of Macquarie Bank, Executive Committee members' collaboration across businesses, progress on company-wide programs and promoting and reinforcing Macquarie Bank's risk culture, as well as reputational outcomes.</p> <p>The Board may apply a downward adjustment to PSU allocations prior to grant, including a collective adjustment where there has been an adverse outcome for MBL, MGL or their stakeholders.</p> <p>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 granted in August each year, after MGL's Annual General Meeting (AGM), in respect of the previous financial year. Shareholder approval is sought at MGL's AGM to allocate PSU awards to the MGL CEO, who is an Executive Voting Director.</p>																												
<b>Instrument</b>	PSUs are structured as DSUs with no exercise price. PSU holders have <b>no</b> right to dividend equivalent payments.																												
<b>Performance period</b>	Subject to MGL's EPS CAGR and ROE performance over four years from 1 July 2026 to 30 June 2030.																												
<b>Vesting period</b>	For the MBL CEO and the 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.																												
<b>Pre-vest assessment<sup>5</sup></b>	<p>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:</p> <ul style="list-style-type: none"> <li>promoted behaviour that is consistent with and reflects Macquarie Bank's risk culture, <i>Code of Conduct</i> and the principles of <i>What We Stand For</i></li> <li>overseen the effectiveness of the risk management framework, regulatory compliance, policies and practices in managing key financial and non-financial risks</li> <li>overseen funding, liquidity and capital management to ensure Macquarie Bank's financial soundness.</li> </ul> <p>Where the Board forms a negative overall assessment of the Executive Committee's collective performance, it will consider whether an adjustment is appropriate, considering any mitigating and aggravating factors.</p>																												
<b>Adjustment tools</b>	In-year adjustment, Malus and Clawback provisions apply to PSUs, as set out on page 45.																												
<b>Treatment upon departure from Macquarie</b>	Unvested PSUs will be forfeited upon termination of employment. The Board may, at its discretion, allow vesting after departure in circumstances such as retirement, redundancy, death, serious incapacitation, disability or serious ill-health. Any approved release of unvested PSUs will vest in accordance with the original award schedule and remain subject to the same terms and performance hurdles. In cases of death or serious incapacitation, the Board may, at its discretion, accelerate the vesting of PSUs.																												
<b>Change of control</b>	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.																												
<b>Performance hurdles</b>	<p>PSUs will only become exercisable to the extent that the performance hurdles are achieved over a four-year performance period. The Board regularly reviews the PSU hurdles and ROE reference group, and these are unchanged for FY2026 and are considered to remain appropriate for the following reasons:</p> <ul style="list-style-type: none"> <li>EPS and ROE growth drive long-term shareholder value</li> <li>outcomes can be affected by Executive Committee decisions. In contrast, Total Shareholder Return (TSR) is influenced by many external factors over which executives have limited control</li> <li>EPS and ROE can be substantiated using information that is disclosed in MGL's annual reports.</li> </ul> <p>There is <b>no</b> retesting of hurdles.</p>																												
	<table border="1"> <thead> <tr> <th colspan="2">EPS CAGR (50% weighting)</th> <th colspan="2">Relative average ROE compared to a reference group (50% weighting)<sup>6</sup></th> </tr> <tr> <th colspan="2">Vesting schedule: sliding scale applies</th> <th colspan="2">Vesting schedule: sliding scale applies</th> </tr> <tr> <th>EPS CAGR</th> <th>% exercisable</th> <th>ROE</th> <th>% exercisable</th> </tr> </thead> <tbody> <tr> <td>Less than 7.5%</td> <td>0%</td> <td>Below the 50th percentile</td> <td>0%</td> </tr> <tr> <td>7.5%</td> <td>50%</td> <td>At the 50th percentile</td> <td>50%</td> </tr> <tr> <td>Between 7.5% and 12%</td> <td>Pro-rata vesting between 50% to 100%</td> <td>Between the 50th and 75th percentile</td> <td>Pro-rata vesting between 50% to 100%</td> </tr> <tr> <td>12%</td> <td>100%</td> <td>At the 75th percentile or higher</td> <td>100%</td> </tr> </tbody> </table>	EPS CAGR (50% weighting)		Relative average ROE compared to a reference group (50% weighting) <sup>6</sup>		Vesting schedule: sliding scale applies		Vesting schedule: sliding scale applies		EPS CAGR	% exercisable	ROE	% exercisable	Less than 7.5%	0%	Below the 50th percentile	0%	7.5%	50%	At the 50th percentile	50%	Between 7.5% and 12%	Pro-rata vesting between 50% to 100%	Between the 50th and 75th percentile	Pro-rata vesting between 50% to 100%	12%	100%	At the 75th percentile or higher	100%
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<sup>5</sup> As previously disclosed, the pre-vest assessment applies to PSUs awarded in respect of FY2024 and subsequent years. The first pre-vest assessment will be conducted in 2028.

<sup>6</sup> 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.

## Risk, accountability and remuneration

### Alignment of risk and remuneration

The Board considers the effective alignment of remuneration with prudent risk-taking as 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 performance assessments, individual profit share allocations, business group and company-wide profit share pools, and the structure and delivery of remuneration.

When determining individual profit share allocations, consideration is given to an individual's approach to managing risk. This includes:

- recognising behaviours that support positive risk outcomes and strengthen Macquarie Bank's risk culture; and
- matters that may result in downward adjustments to variable remuneration, including those:
  - raised in independent reports presented to the BRC by:
    - the CRO, 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, detailing notable internal audit issues and any trends at company-wide or business group level or
  - identified through the internal consequence management process.

A joint meeting of the BRC, Board Risk Committee (BRIC), Board Audit Committee (BAC) and Board Governance and Compliance Committee (BGCC) is held annually to discuss significant risk and internal audit matters, with the CRO and Head of Internal Audit in attendance.

### Consequence management outcomes

Macquarie Group's Consequence Management Guideline applies wherever a breach of internal policy or regulatory requirement is identified. Consequences may include further training, removal of delegated authorities or permissions, adjustments to performance-based remuneration and/or proposed fixed remuneration increases, impact to promotion, or termination.

Outcomes involving conduct or policy breaches that resulted in formal consequences	FY2026	FY2025
<b>Number of matters</b>	<b>85</b>	<b>121</b>
Code of Conduct or workplace behaviour related matters	51	83
Other matters, including risk management and technology breaches	34	38
<b>Consequence management outcomes</b>		
Termination of employment	45	46
Formal warning and additional consequences applied as appropriate	40	75
<b>Downward adjustment to profit share due to consequence management</b>		
Individuals with downward adjustment to profit share applied	25	52
Average downward adjustment to profit share	35%	45%

Of the 40 individuals in FY2026 who received a formal warning and did not have a downward adjustment applied to their profit share, eight left Macquarie before year-end outcomes were applied, and a further seven were not awarded FY2026 profit share.

### Remuneration adjustment mechanisms

The following mechanisms exist to adjust FY2026 remuneration outcomes for risk and conduct outcomes.

Materiality and severity	In-year adjustments	Applies to all staff
	In-year downward adjustments to remuneration may be applied where a conduct or policy breach has been identified as part of the consequence management process (such as a formal warning), or in relation to matters raised in the independent reports from the CRO and Head of Internal Audit.	
	Malus	Applies to all staff
	Malus provisions provide the Board with the ability to reduce, or eliminate in full, unvested variable remuneration, including in relation to a significant failure of risk management, a significant adverse outcome and/or serious misconduct. There has been no change to the Malus provisions in FY2026.	
	Clawback	Applies to certain senior employees, including Executive KMP
	Where in-year adjustments and/or Malus are not available or are not sufficient, 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. There has been no change to the Clawback provisions in FY2026.	

In addition to the above, the Board may determine to place a portion of profit share on hold or impose an additional condition on the release of retained profit share, for example where there is insufficient information available to enable the Board to assess and determine whether a downward adjustment to remuneration is appropriate.

### Risk adjustment process

Robust processes ensure 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 clients/customers or impact on prudential standing.

The BRC deliberates across multiple meetings each year to support the Board in ensuring significant risk and internal audit matters are appropriately reflected in remuneration outcomes. Remuneration adjustments are determined with regard to the nature and impact of each matter, while also taking into account the relevant individual's overall contribution during the year. The BRC also considers prior decisions for similar matters where remuneration outcomes have been adjusted to support consistent decision-making.

Macquarie Bank's retention and vesting arrangements provide a mechanism for the Board to consider risk outcomes over a longer period. 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.



Further detail on the process and tools for adjusting variable remuneration is set out on pages 15 and 16 of our CPS 511 disclosure, available at [macquarie.com/cps-511-disclosure](https://www.macquarie.com/cps-511-disclosure).

# Remuneration Report

Continued

## Further details on the remuneration framework

### Other features of the remuneration framework

Additional key features of the executive remuneration framework are described below.

<b>Minimum shareholding requirement</b>	<ul style="list-style-type: none"> <li>Staff at the Executive Director level 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 KMP). This can be satisfied through the profit share retention requirements.</li> <li>For Executive KMP who have a minimum 10 years of service at the Executive Director level, meeting the requirement equates to a shareholding from 85% to 691% of fixed remuneration (based on share values unadjusted for market price changes).</li> </ul>
<b>Hedging</b>	<ul style="list-style-type: none"> <li>Macquarie Group prohibits staff from hedging shares held to meet the minimum shareholding requirement and unvested equity held in the MEREP.</li> </ul>

### Employment contracts

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

<b>Length of contract</b>	Permanent open-ended.
<b>Remuneration review period</b>	1 April to 31 March annually.
<b>Profit share participation</b>	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 to 43 for details.
<b>PSU participation</b>	As Executive Committee members, Executive KMP are eligible to receive PSUs. Refer to page 44 for details.
<b>Termination of employment</b>	Requires no more than three months' notice by Macquarie Bank or the Executive KMP (post-employment restrictions apply).
<b>Post-employment restrictions</b>	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 74% compared with the prior year.

	2022	2023	2024	2025 <sup>7</sup>	2026 <sup>8</sup>
NPAT attributable to the ordinary equity holder (\$Am)	2,717	3,905	2,912	3,445	6,011

### PSUs vesting during FY2026

The FY2021 PSU awards completed their performance period during FY2026 (on 30 June 2025). The EPS CAGR hurdle was not met, whilst the relative average ROE performance hurdle was partially met. As a result, 41% of the FY2021 PSUs became exercisable on 1 July 2025. PSU vesting outcomes in the prior three years are also set out in the table below.<sup>9</sup>

Year vested	PSU award	EPS CAGR Hurdle (50% weighting)			ROE Hurdle (50% weighting)			Overall vesting outcome
		Macquarie result	Hurdle	Outcome	Macquarie result	Hurdle	Outcome	
FY2026	2021 Award	3.81%		0% exercisable	14.40% (66th percentile)		82% exercisable	41% exercisable
FY2025	2020 Award	3.75%	50% at 7.5% CAGR	0% exercisable	14.80% (66th percentile)	50% above the 50th percentile	82% exercisable	41% exercisable
FY2024	2019 Award (Tranche 2)	11.26%	100% at 12% CAGR	92% exercisable	15.34% (88th percentile)	100% at the 75th percentile	100% exercisable	96% exercisable
FY2023	2019 Award (Tranche 1)	12.93%		100% exercisable	15.04% (88th percentile)		100% exercisable	100% exercisable

<sup>7</sup> FY2025 NPAT includes \$A610 million 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.

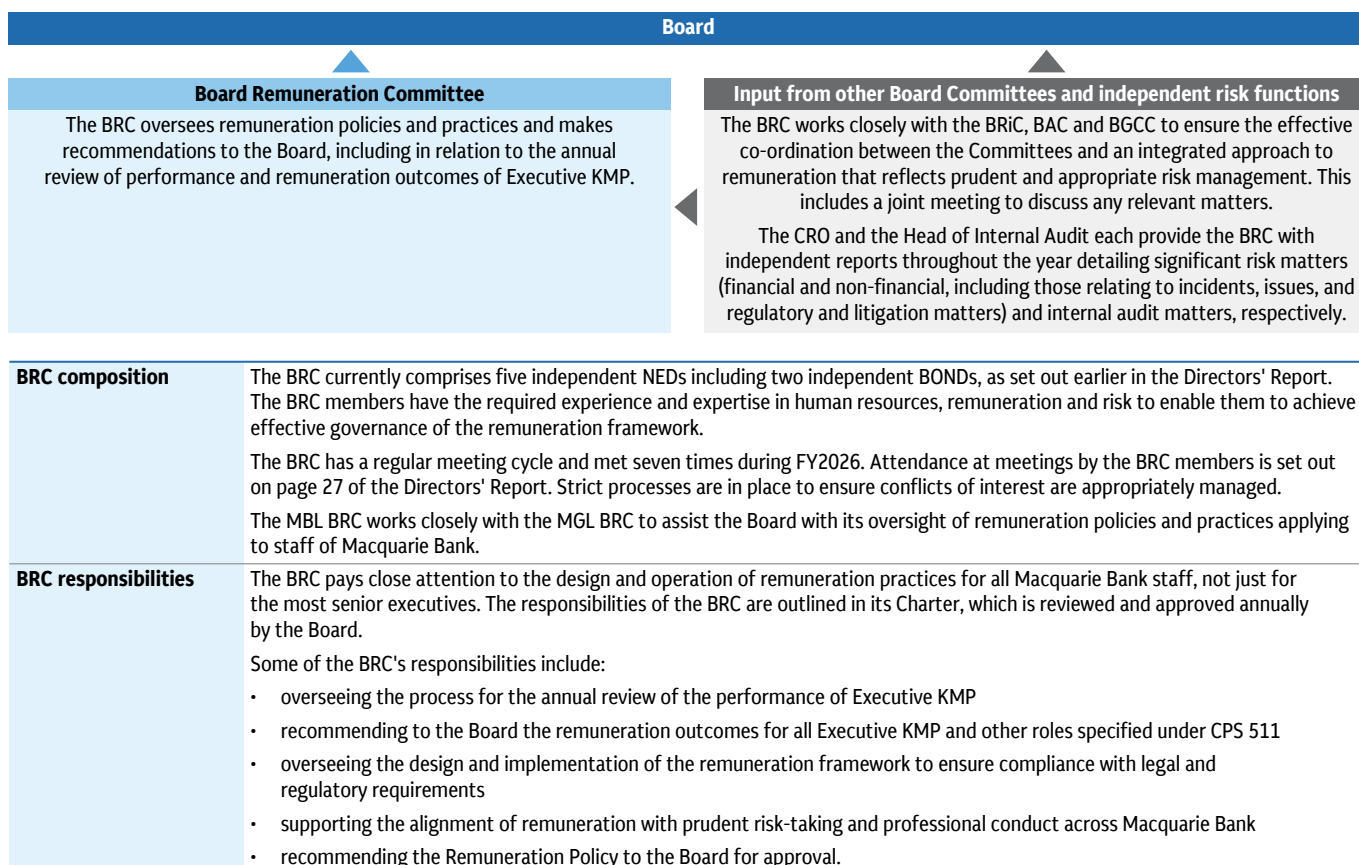
<sup>8</sup> FY2026 NPAT includes \$A2,422 million gain from sale of Macquarie International Finance Limited (MIFL) and its certain subsidiaries including its North American Power, Gas and Emissions business to the Non-Bank Group.

<sup>9</sup> The performance hurdle tests were performed using data sourced from Bloomberg for all companies in the reference group of international financial institutions (as well as Macquarie) and the calculations were reviewed independently.

## Remuneration governance

### Macquarie Bank's remuneration governance framework

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



### External advisors

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.

During FY2026, the BRCs also engaged an independent consultant to conduct the CPS 511 triennial effectiveness review. The independent consultant did not provide any remuneration recommendations, as defined by the Act, as part of this review.

# 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.

NED fees are set at a level that appropriately remunerates highly qualified NEDs with the skills and experience required to serve on 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 their risk management and regulatory responsibilities and the Bank Group's diversified global 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.

The MBL CEO and MGL CEO 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.

Board and Board Committee fees are reviewed annually. An internal review of NED fees was completed during the year. The Board determined, following this review, that Board and Board Committee fees would remain unchanged.

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 <sup>10</sup>	Member \$A <sup>11</sup>
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

<sup>10</sup> 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.

<sup>11</sup> This is the aggregate annual fee paid to BONDS, including fees in respect of their attendance at MGL Board and Board Committee meetings.

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# Remuneration Report

Continued

## Appendix 1: Executive KMP remuneration disclosure (prepared in accordance with Australian Accounting Standards)

The following statutory remuneration table is prepared in accordance with Australian Accounting Standards. Under the requirements of AASB 124 *Related Party Disclosures*, the remuneration disclosures only include remuneration relating to the portion of the relevant periods that each person was an Executive KMP.

Name	Position	Year	SHORT-TERM EMPLOYEE BENEFITS		
			Salary (including superannuation) <sup>12</sup> \$A	Performance related remuneration <sup>13</sup> \$A	Total short-term employee benefits \$A
<b>Executive Voting Directors</b>					
Stuart D Green	Managing Director and CEO of MBL	2026	1,332,741	1,728,000	3,060,741
		2025	1,326,526	1,548,000	2,874,526
Shemara R Wikramanayake	Managing Director and CEO of MGL	2026	699,988	2,888,310	3,588,298
		2025	737,454	3,260,250	3,997,704
<b>Other Executive KMP</b>					
Evie N Bruce	GGC and Head of LGG	2026	508,249	850,744	1,358,993
		2025	540,364	783,900	1,324,264
Andrew F Cassidy	CRO and Head of RMG	2026	593,697	1,836,492	2,430,189
		2025	625,160	1,783,130	2,408,290
Nicole G Sorbara	COO and Head of COG	2026	840,429	2,250,831	3,091,260
		2025	853,501	2,569,667	3,423,168
Greg C Ward <sup>14</sup>	Head of BFS	2026	1,120,158	4,875,000	5,995,158
		2025	1,120,158	5,250,000	6,370,158
Simon L Wright	Head of CGM	2026	868,907	12,201,102	13,070,009
		2025	988,458	9,535,734	10,524,192
<b>Total Remuneration - Comparable Executive KMP<sup>15</sup></b>		2026	5,964,169	26,630,479	32,594,648
		2025	6,191,621	24,730,681	30,922,302
<b>New and former Executive KMP</b>					
Alex H Harvey <sup>16</sup>	Former CFO and Head of FPE	2026	439,628	1,611,577	2,051,205
		2025	589,539	1,874,944	2,464,483
Frank P Kwok <sup>17</sup>	CFO, Group Treasurer and Head of FPE	2026	91,783	456,485	548,268
		2025	-	-	-
<b>Total Remuneration - Executive KMP (including new and former Executive KMP)</b>		2026	6,495,580	28,698,541	35,194,121
		2025	6,781,160	26,605,625	33,386,785

<sup>12</sup> Includes salary, superannuation, long service leave accrual and other benefits.

<sup>13</sup> The cash component of each person's profit share allocation for the reporting period as an Executive KMP.

<sup>14</sup> As set out on page 153 of the Remuneration Report in the MGL Annual Report, \$A574,000 of Mr Ward's FY2026 profit share allocation has been placed on hold pending the resolution of a risk matter under review. This amount has been reflected in "performance related remuneration" above and in "restricted profit share" and "equity awards" on page 51.

<sup>15</sup> Comparable Executive KMP are KMP who are members of the Executive Committee for the full year in both FY2026 and FY2025.

<sup>16</sup> Mr Harvey ceased to be a member of the Executive Committee on 31 December 2025. He remains currently employed with Macquarie but intends to retire during FY2027. As a result of his intention to retire, the amortisation of his equity awards is being recognised over an accelerated period. \$A1.8 million of his FY2026 statutory remuneration represents accelerated amortisation of his equity awards, with further accounting amortisation being recognised of \$A1.9 million in FY2026 and \$A1.9 million in FY2027.

<sup>17</sup> Mr Kwok was appointed to the Executive Committee on 1 January 2026.

LONG-TERM EMPLOYEE BENEFITS			SHARE BASED PAYMENTS				Total Remuneration	Percentage of remuneration that consists of PSUs
Restricted profit share <sup>18</sup>	Other long-term employee benefits <sup>19</sup>	Total long-term employee benefits	Equity awards <sup>20</sup>	PSUs <sup>21</sup>	Total share-based payments <sup>22</sup>			
\$A	\$A	\$A	\$A	\$A	\$A	\$A	%	
<b>259,200</b>	<b>33,845</b>	<b>293,045</b>	<b>1,946,388</b>	<b>306,030</b>	<b>2,252,418</b>	<b>5,606,204</b>	<b>5%</b>	
232,200	58,741	290,941	1,619,916	1,583,505	3,203,421	6,368,888	25%	
<b>673,939</b>	<b>187,787</b>	<b>861,726</b>	<b>8,097,446</b>	<b>226,372</b>	<b>8,323,818</b>	<b>12,773,842</b>	<b>2%</b>	
760,725	389,484	1,150,209	8,352,178	638,798	8,990,976	14,138,889	5%	
<b>85,074</b>	<b>8,795</b>	<b>93,869</b>	<b>572,788</b>	<b>533,028</b>	<b>1,105,816</b>	<b>2,558,678</b>	<b>21%</b>	
78,390	14,947	93,337	464,316	744,875	1,209,191	2,626,792	28%	
<b>183,649</b>	<b>20,092</b>	<b>203,741</b>	<b>1,256,129</b>	<b>288,969</b>	<b>1,545,098</b>	<b>4,179,028</b>	<b>7%</b>	
178,313	34,401	212,714	1,031,866	970,156	2,002,022	4,623,026	21%	
<b>225,083</b>	<b>61,547</b>	<b>286,630</b>	<b>2,815,934</b>	<b>436,749</b>	<b>3,252,683</b>	<b>6,630,573</b>	<b>7%</b>	
256,967	119,757	376,724	2,905,000	811,026	3,716,026	7,515,918	11%	
<b>975,000</b>	<b>222,990</b>	<b>1,197,990</b>	<b>4,724,956</b>	<b>582,117</b>	<b>5,307,073</b>	<b>12,500,221</b>	<b>5%</b>	
1,050,000	419,694	1,469,694	4,677,467	1,078,347	5,755,814	13,595,666	8%	
<b>1,220,110</b>	<b>29,712</b>	<b>1,249,822</b>	<b>6,896,130</b>	<b>618,436</b>	<b>7,514,566</b>	<b>21,834,397</b>	<b>3%</b>	
953,573	11,653	965,226	5,972,428	304,848	6,277,276	17,766,694	2%	
<b>3,622,055</b>	<b>564,768</b>	<b>4,186,823</b>	<b>26,309,771</b>	<b>2,991,701</b>	<b>29,301,472</b>	<b>66,082,943</b>		
3,510,168	1,048,677	4,558,845	25,023,171	6,131,555	31,154,726	66,635,873		
<b>161,158</b>	<b>32,425</b>	<b>193,583</b>	<b>3,250,482</b>	<b>422,472</b>	<b>3,672,954</b>	<b>5,917,742</b>	<b>7%</b>	
187,494	82,856	270,350	2,024,010	560,200	2,584,210	5,319,043	11%	
<b>45,648</b>	<b>101,901</b>	<b>147,549</b>	<b>257,307</b>	<b>59,555</b>	<b>316,862</b>	<b>1,012,679</b>	<b>6%</b>	
-	-	-	-	-	-	-	-	
<b>3,828,861</b>	<b>699,094</b>	<b>4,527,955</b>	<b>29,817,560</b>	<b>3,473,728</b>	<b>33,291,288</b>	<b>73,013,364</b>		
3,697,662	1,131,533	4,829,195	27,047,181	6,691,755	33,738,936	71,954,916		

<sup>18</sup> Represents the portion of current year retained profit share that is held as a notional investment in Macquarie-managed fund equity (DPS Plan).

<sup>19</sup> Represents notional returns/(losses) on profit share amounts retained under the DPS Plan that are notionally invested in Macquarie-managed funds (Executive KMP are 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 TSR; where there is a notional loss, this loss will be offset against any future notional income until the loss is completely offset (losses are reported as negative amounts in this column). As these earnings reflect the investment performance of the assets in which prior years' retained amounts have been notionally invested, their inclusion may cause distortions when year-on-year remuneration trends are examined. These figures do not reflect remuneration review decisions made about the individual's current year performance.

<sup>20</sup> Represents the current year expense for retained profit share that is invested in MGL ordinary shares under the MEREP. Recognised as an expense over the respective vesting periods, or service period if shorter, and includes amounts relating to prior years' equity awards that have been previously disclosed.

<sup>21</sup> Represents the current year expense for PSU awards that is recognised over the vesting period and includes amounts relating to prior years' PSU awards.

<sup>22</sup> Equity awards and PSU awards in respect of FY2026 will be granted during FY2027; however MGL begins recognising an expense for these awards from 1 April 2025 (based on an initial estimate using the price of MGL ordinary shares as at 31 March 2026 and the number of equity awards/PSUs expected to vest). For PSUs, the estimate also incorporates an interest rate to maturity of 4.86% per annum (4.89% for grants to the MBL CEO and MGL CEO), expected vesting date of 1 July 2030 (1 July 2031 for the MBL CEO and MGL CEO), and a dividend yield of 3.50% 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 equity award and each PSU award when granted and will use this validation for recognising the expense over the remaining vesting period. For PSUs, 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 (PSUs become exercisable upon vesting only when the relevant performance hurdles are met).

# Remuneration Report

Continued

## Appendix 2: Non-Executive Director remuneration

The remuneration arrangements for all the persons listed below as NEDs are described in the *Non-Executive Director remuneration* section of this Remuneration Report. Common NEDs receive their entire Board and Board Committee fees from MGL. Further information on the total aggregate fees paid to each of the Common NEDs by MGL can be found on pages 157 and 160 of the Remuneration Report in the MGL Annual Report.

Name and position	Year	Fees \$A <sup>23</sup>	Other benefits \$A <sup>24</sup>	Total remuneration \$A
<b>Common Non-Executive Directors</b>				
Jillian R Broadbent AC	2026	210,750	-	210,750
	2025	209,375	-	209,375
Philip M Coffey	2026	210,750	-	210,750
	2025	209,375	-	209,375
Michelle A Hinchliffe	2026	210,750	-	210,750
	2025	209,375	-	209,375
Susan J Lloyd-Hurwitz AM	2026	190,250	-	190,250
	2025	188,625	-	188,625
Rebecca J McGrath AM	2026	210,750	-	210,750
	2025	209,375	-	209,375
Mike Roche	2026	209,750	-	209,750
	2025	207,875	-	207,875
Glenn R Stevens AC	2026	482,000	-	482,000
	2025	478,375	-	478,375
<b>Bank-only Non-Executive Directors</b>				
Wayne S Byres <sup>25</sup>	2026	409,000	-	409,000
	2025	369,387	-	369,387
Michael J Coleman <sup>26</sup>	2026	-	-	-
	2025	132,333	-	132,333
Ian M Saines	2026	411,000	-	411,000
	2025	408,000	-	408,000
David JK Whiteing <sup>27</sup>	2026	409,000	-	409,000
	2025	405,000	-	405,000
<b>Total Remuneration - Non-Executive KMP</b>				
	2026	2,954,000	-	2,954,000
	2025	3,027,095	-	3,027,095

<sup>23</sup> Fee increases during FY2025 were effective from 1 July 2024. Fees remained unchanged during FY2026.

<sup>24</sup> No other benefits were paid in FY2026 (FY2025: no other benefits were paid).

<sup>25</sup> Mr Byres became a member of the MBL BAC, BGCC and BRIC on 26 July 2024.

<sup>26</sup> Mr Coleman ceased to be a member of the MBL Board, the MBL BCC, BAC, BRC and BGCC on 26 July 2024.

<sup>27</sup> Mr Whiteing ceased to be a member of the MBL BRIC and became a member of the MBL BRC on 26 July 2024.

## Appendix 3: Loan disclosures

### Loans to KMP 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 2025 <sup>28</sup> \$A'000	Interest charged \$A'000	Write downs \$A'000	Balance as at 31 March 2026 <sup>29</sup> \$A'000	Highest balance during the year \$A'000
<b>Non-Executive Directors</b>					
Rebecca J McGrath AM (and related party)	817	71	-	2,737	6,557
Ian M Saines (related party)	320	9	-	306	327
David JK Whiteing	2,500	145	-	3,273	3,280
<b>Executive KMP</b>					
Andrew F Cassidy	3,204	37	-	2,980	3,204
Simon L Wright (related party) <sup>30</sup>	1,166	39	-	1,123	1,166
<b>New and Former Executive KMP</b>					
Alex H Harvey (related party)	10,359	201	-	10,339	10,360
Frank P Kwok (related party)	1,187	21	-	1,178	1,187
<b>Aggregate of KMP and related party loans<sup>31</sup></b>	<b>19,553</b>	<b>523</b>	<b>-</b>	<b>21,936</b>	<b>26,081</b>

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 2022 through to 31 March 2026 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).

<sup>28</sup> Or date of appointment if later.

<sup>29</sup> Or date of ceasing to be a KMP if earlier.

<sup>30</sup> In FY2026 Macquarie performed a review of KMP disclosures and noted the omission of a loan account for a related party of Mr Wright from the 2025 Remuneration Report. The opening balance as at 1 April 2025 has been updated to reflect this. The loan was originated prior to Mr Wright's appointment to the Executive Committee on 1 April 2024.

<sup>31</sup> 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 FY2026. 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.

# Directors' Report

For the financial year ended 31 March 2026 continued



## 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 2026 total \$A10.1 million (2025: \$A9.1 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  
8 May 2026

## Auditor's independence declaration

As lead auditor of Macquarie Bank Limited's financial report for the year ended 31 March 2026, I declare that, to the best of my knowledge and belief, there have been:

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

**Voula Papageorgiou**  
Partner  
PricewaterhouseCoopers

Sydney  
8 May 2026

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# 03

## Financial Report

### Macquarie Wrap, Australia

Macquarie Wrap is one of Australia's largest investment platforms. Banking and Financial Services has supported Australia's wealth management and advice industry for more than 40 years with investment technology and cash solutions.



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The Financial Report was authorised for issue by the Board of Directors on 8 May 2026.

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

# Income statements

For the financial year ended 31 March 2026

	Notes	CONSOLIDATED		COMPANY	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m
Interest income	2	15,534	15,185	15,217	14,852
Interest expense	2	(12,042)	(11,954)	(11,926)	(11,765)
<b>Net interest income</b>		<b>3,492</b>	<b>3,231</b>	<b>3,291</b>	<b>3,087</b>
Net trading income	2	4,413	5,025	3,413	3,204
<b>Net interest and trading income</b>		<b>7,905</b>	<b>8,256</b>	<b>6,704</b>	<b>6,291</b>
Fee and commission income	2	3,143	2,610	1,293	939
Net investment income	2	3,859	688	4,866	1,208
Net credit impairment charges	2	(291)	(110)	(246)	(70)
Net other impairment (charges)/reversals	2	(67)	(40)	1	13
Net other operating income	2	546	516	240	346
<b>Net operating income</b>		<b>15,095</b>	<b>11,920</b>	<b>12,858</b>	<b>8,727</b>
Employment expenses	2	(5,060)	(4,811)	(1,650)	(1,411)
Brokerage, commission and fee expenses	2	(777)	(644)	(725)	(539)
Non-salary technology expenses	2	(1,005)	(961)	(308)	(219)
Other operating expenses	2	(1,152)	(1,063)	(3,063)	(2,828)
<b>Total operating expenses</b>		<b>(7,994)</b>	<b>(7,479)</b>	<b>(5,746)</b>	<b>(4,997)</b>
<b>Operating profit before income tax</b>		<b>7,101</b>	<b>4,441</b>	<b>7,112</b>	<b>3,730</b>
Income tax expense	4	(1,090)	(996)	(652)	(627)
<b>Profit after income tax</b>		<b>6,011</b>	<b>3,445</b>	<b>6,460</b>	<b>3,103</b>
<b>Profit attributable to the ordinary equity holder of Macquarie Bank Limited</b>		<b>6,011</b>	<b>3,445</b>	<b>6,460</b>	<b>3,103</b>

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

# Statements of comprehensive income

For the financial year ended 31 March 2026

	Notes	CONSOLIDATED		COMPANY	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m
<b>Profit after income tax</b>		<b>6,011</b>	3,445	<b>6,460</b>	3,103
Other comprehensive (loss)/income: <sup>1</sup>					
Movements in items that may be subsequently reclassified to the income statement:					
Fair value through other comprehensive income (FVOCI) reserve:					
Revaluation movement	27	23	(26)	15	(25)
Changes in expected credit losses (ECL) allowance	27	2	-	2	(6)
Cash flow hedge reserve:					
Revaluation movement	27	(38)	74	(43)	77
Transferred to income statement on realisation	27	(49)	(50)	(55)	(54)
Cost of hedging reserve:					
Revaluation movement	27	8	18	6	17
Transferred to income statement on realisation	27	6	13	-	13
Foreign exchange movement on translation and hedge accounting of foreign operations:					
Foreign currency transaction reserve	27	(698)	339	(698)	335
Transferred to income statement on realisation	27	(91)	-	-	-
Share of other comprehensive (loss)/income from associates and joint ventures and other reserves	27				
Share of other comprehensive (loss)/income from associates and joint ventures and other reserves		(11)	10	-	-
Transferred to income statement on realisation		(48)	-	-	-
Movements in items that will not be subsequently reclassified to the income statement:					
Fair value changes attributable to own credit risk on debt designated at fair value through profit or loss (DFVTPL)	27	1	(2)	-	(2)
Others		-	1	(1)	-
<b>Total other comprehensive (loss)/income</b>		<b>(895)</b>	377	<b>(774)</b>	355
<b>Total comprehensive income attributable to the ordinary equity holder of Macquarie Bank Limited</b>		<b>5,116</b>	3,822	<b>5,686</b>	3,458

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

<sup>1</sup> All items are net of tax, where applicable.

# Statements of financial position

As at 31 March 2026

	Notes	CONSOLIDATED		COMPANY	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m
<b>Assets</b>					
Cash and bank balances		19,607	22,269	15,819	20,100
Cash collateralised lending and reverse repurchase agreements		77,339	60,165	74,458	57,341
Trading assets	8	38,158	29,729	37,352	28,703
Margin money and settlement assets	9	18,895	20,072	16,320	15,973
Derivative assets	10	42,248	23,936	37,645	21,223
Financial investments	11	23,646	17,057	23,290	16,900
Other assets	17	7,309	7,226	4,412	4,298
Loan assets	6	226,211	181,386	220,581	178,994
Due from subsidiaries	24	-	-	14,945	6,130
Due from other Macquarie Group entities	24	4,819	6,297	3,712	5,398
Property, plant and equipment and right-of-use assets	19	3,696	5,989	2,174	4,213
Investments in subsidiaries	21	-	-	4,192	4,122
Deferred tax assets	5	1,153	1,095	653	520
<b>Total assets</b>		<b>463,081</b>	<b>375,221</b>	<b>455,553</b>	<b>363,915</b>
<b>Liabilities</b>					
Deposits	12	221,547	177,671	220,385	176,043
Cash collateralised borrowing and repurchase agreements		6,819	4,692	6,221	4,690
Trading liabilities	13	12,294	5,753	12,294	5,558
Margin money and settlement liabilities	14	27,662	23,610	25,019	20,552
Derivative liabilities	15	36,347	23,184	31,374	21,183
Other liabilities	18	10,112	9,894	7,305	6,258
Due to subsidiaries	24	-	-	21,400	19,453
Due to other Macquarie Group entities	24	15,045	9,065	12,654	8,433
Issued debt securities and other borrowings	16	94,599	85,804	80,463	67,006
Deferred tax liabilities	5	8	21	-	22
<b>Total liabilities excluding loan capital</b>		<b>424,433</b>	<b>339,694</b>	<b>417,115</b>	<b>329,198</b>
Loan capital	29	14,068	12,540	14,064	12,540
<b>Total liabilities</b>		<b>438,501</b>	<b>352,234</b>	<b>431,179</b>	<b>341,738</b>
<b>Net assets</b>		<b>24,580</b>	<b>22,987</b>	<b>24,374</b>	<b>22,177</b>
<b>Equity</b>					
Contributed equity	26	10,264	10,192	10,085	10,024
Reserves	27	720	1,616	155	928
Retained earnings	27	13,596	11,179	14,134	11,225
<b>Total capital and reserves attributable to the ordinary equity holder of Macquarie Bank Limited</b>		<b>24,580</b>	<b>22,987</b>	<b>24,374</b>	<b>22,177</b>
<b>Total equity</b>		<b>24,580</b>	<b>22,987</b>	<b>24,374</b>	<b>22,177</b>

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 2026

	Notes	Contributed equity \$m	Reserves \$m	Retained earnings \$m	Total equity \$m
<b>CONSOLIDATED</b>					
<b>Balance as at 1 Apr 2024</b>		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
<b>Total comprehensive income</b>		-	378	3,444	3,822
Transactions with equity holder in their capacity as ordinary equity holder:					
Dividends paid	28	-	-	(2,224)	(2,224)
Other equity movements	26	8	-	-	8
		8	-	(2,224)	(2,216)
<b>Balance as at 31 Mar 2025</b>		10,192	1,616	11,179	22,987
Profit after income tax		-	-	6,011	6,011
Other comprehensive income, net of tax		-	(896)	1	(895)
<b>Total comprehensive income</b>		-	(896)	6,012	5,116
Transactions with equity holder in their capacity as ordinary equity holder:					
Dividends paid	28	-	-	(3,550)	(3,550)
Change attributable to group restructure	27	-	-	(45)	(45)
Other equity movements	26	72	-	-	72
		72	-	(3,595)	(3,523)
<b>Balance as at 31 Mar 2026</b>		10,264	720	13,596	24,580
<b>COMPANY</b>					
<b>Balance as at 1 Apr 2024</b>		10,021	571	10,348	20,940
Profit after income tax		-	-	3,103	3,103
Other comprehensive income, net of tax		-	357	(2)	355
<b>Total comprehensive income</b>		-	357	3,101	3,458
Transactions with equity holder in their capacity as ordinary equity holder:					
Dividends paid	28	-	-	(2,224)	(2,224)
Other equity movements	26	3	-	-	3
		3	-	(2,224)	(2,221)
<b>Balance as at 31 Mar 2025</b>		10,024	928	11,225	22,177
Profit after income tax		-	-	6,460	6,460
Other comprehensive income, net of tax		-	(773)	(1)	(774)
<b>Total comprehensive income</b>		-	(773)	6,459	5,686
Transactions with equity holder in their capacity as ordinary equity holder:					
Dividends paid	28	-	-	(3,550)	(3,550)
Other equity movements	26	61	-	-	61
		61	-	(3,550)	(3,489)
<b>Balance as at 31 Mar 2026</b>		10,085	155	14,134	24,374

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 2026

	Notes	CONSOLIDATED		COMPANY	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m
<b>Cash flows generated from operating activities</b>					
Interest income and expense:					
Received		15,338	15,173	15,013	14,991
Paid		(11,997)	(11,969)	(11,877)	(11,827)
Fees, commissions and other income and charges:					
Received		3,364	2,689	1,243	933
Paid		(749)	(635)	(702)	(535)
Operating lease income received		775	756	481	584
Dividends and distributions received		40	22	518	1,196
Operating expenses paid:					
Employment expenses		(4,503)	(4,341)	(1,346)	(1,249)
Other operating expenses including brokerage, commission and fee expenses		(1,748)	(1,422)	(3,055)	(2,821)
Income tax paid		(420)	(647)	(43)	(136)
Changes in operating assets:					
Loan assets and receivables from Macquarie Group entities		(37,142)	(29,119)	(47,186)	(26,730)
Liquid asset holdings		(4,837)	2,701	(5,342)	2,614
Trading and related assets, and collateralised lending balances, including trading balances with Macquarie Group entities (net of liabilities)		(5,580)	1,795	(4,366)	(1,253)
Assets under operating lease		(213)	(489)	(108)	(278)
Other assets (net of liabilities)		(171)	(34)	(157)	377
Changes in operating liabilities:					
Deposits		44,273	29,169	44,640	29,493
Issued debt securities, borrowings and other funding		13,632	986	17,870	2,122
<b>Net cash flows generated from operating activities</b>	39	<b>10,062</b>	4,635	<b>5,583</b>	7,481
<b>Cash flows generated from investing activities</b>					
Net (payments for)/proceeds from financial investments		(1,534)	14	(1,481)	(443)
Associates, joint ventures, subsidiaries and businesses:					
Proceeds from distribution or disposal, net of cash deconsolidated		3,681	797	7,536	794
Payments for additional contribution or acquisitions, net of cash acquired		(125)	(62)	(1,753)	(28)
Payments for acquisitions of property, plant and equipment		(94)	(303)	(50)	(152)
<b>Net cash flows generated from investing activities</b>		<b>1,928</b>	446	<b>4,252</b>	171
<b>Cash flows (utilised in)/generated from financing activities</b>					
Receipt from issuance of loan capital		3,996	1,246	3,996	1,246
Redemption of loan capital		(1,884)	-	(1,884)	-
Dividends and distributions paid		(3,550)	(2,224)	(3,550)	(2,224)
<b>Net cash flows utilised in financing activities</b>		<b>(1,438)</b>	(978)	<b>(1,438)</b>	(978)
<b>Net increase in cash and cash equivalents</b>		<b>10,552</b>	4,103	<b>8,397</b>	6,674
Cash and cash equivalents at the beginning of the financial year	39	51,293	46,293	48,268	40,816
Effect of exchange rate movements on cash and cash equivalents		(1,282)	897	(1,133)	778
<b>Cash and cash equivalents at the end of the financial year</b>	39	<b>60,563</b>	51,293	<b>55,532</b>	48,268

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

# Notes to the financial statements

For the financial year ended 31 March 2026

## 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 41 *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
- 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 41(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 41(vii))
- determining whether multiple legally separate contracts are in substance linked and therefore accounted for as a single unit of account to faithfully reflect the underlying economic substance of the transaction (Note 41 (viii))
- 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 41(xxi) and Note 7)
- 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 41(vii), Note 41(x) and Note 31)
- timing and amount of impairment of interests in associates and joint ventures and investment in subsidiaries, including the reversal thereof (Note 41(i), Note 41(xxi) and Note 21)
- 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 of agent or principal, and whether the level of involvement in an investee's relevant activities is sufficient to significantly affect the returns generated (Note 41(i))
- determination of the loss of control of a subsidiary including the timing of derecognition of assets and liabilities following the disposal of an investment, including the measurement of the associated gain or loss (Note 41(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 41(vi), Note 4 and Note 5)

## Note 1

### Basis of preparation continued

#### (iii) Critical accounting estimates and significant judgements continued

- recognition and measurement of provisions related to actual and potential claims, and the determination of contingent liabilities (Note 41(xvii) and Note 37)
- application of hedge accounting principles, including the assessment that a forecast transaction is highly probable (Note 41(x) and Note 34)

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.

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

The amendments made to existing standards that were mandatorily effective for the annual reporting period beginning on 1 April 2025 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

##### (a) 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.

##### (b) 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 include:

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

The amendments will be effective for the Consolidated Entity from 1 April 2026 and are applied retrospectively.

The Consolidated Entity does not expect material impacts from the adoption of the changes introduced to AASB 9 and AASB 7.

#### (c) 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 2025 and have not been early adopted, are not likely to result in a material impact to the Consolidated Entity's Financial Report.

#### (vi) Other developments

AASB S2 *Climate-related Disclosures* (AASB S2) is 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. AASB S2 is effective for the financial year ended 31 March 2026. Macquarie Group Limited, the Consolidated Entity's ultimate parent company has passed a resolution to elect to prepare the Sustainability Report for the Consolidated Group. Refer to the Climate Statements in the Macquarie Group Limited Annual Report, which are published in accordance with the requirements of AASB S2.

#### (vii) Global geopolitical events at reporting date

The conflict in the Middle East, which escalated in February 2026, has increased global uncertainty and volatility across global economic and financial markets. The Consolidated Entity has considered the effects of this conflict together with other sources of market volatility, in preparing these financial statements.

Forward-looking information, including the scenarios and related probabilities used in determining Expected Credit Losses (ECL), is disclosed in Note 7.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 2

### Operating profit before income tax

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
<b>Interest income</b>				
Effective interest rate method - Amortised cost	12,535	12,084	12,321	11,842
Effective interest rate method - FVOCI	2,222	2,257	2,151	2,203
Other	777	844	745	807
<b>Total interest income</b>	<b>15,534</b>	<b>15,185</b>	<b>15,217</b>	<b>14,852</b>
<b>Interest expense</b>				
Effective interest rate method - Amortised cost	(11,934)	(11,852)	(11,811)	(11,674)
Other	(108)	(102)	(115)	(91)
<b>Total interest expense</b>	<b>(12,042)</b>	<b>(11,954)</b>	<b>(11,926)</b>	<b>(11,765)</b>
<b>Net interest income</b>	<b>3,492</b>	<b>3,231</b>	<b>3,291</b>	<b>3,087</b>
<b>Net trading income<sup>1</sup></b>				
Commodities <sup>2</sup>	2,569	3,244	1,673	1,440
Equities	1,155	1,110	1,068	1,015
Interest rate, foreign exchange and credit products	689	671	672	749
<b>Total net trading income</b>	<b>4,413</b>	<b>5,025</b>	<b>3,413</b>	<b>3,204</b>
<b>Net interest and trading income</b>	<b>7,905</b>	<b>8,256</b>	<b>6,704</b>	<b>6,291</b>
<b>Fee and commission income</b>				
Service fee from Macquarie Group entities	1,680	1,493	342	256
Brokerage and stock lending fees	416	351	294	232
Portfolio administration fees	349	319	82	64
Lending fees	182	148	238	201
Other fee and commission income	516	299	337	186
<b>Total fee and commission income</b>	<b>3,143</b>	<b>2,610</b>	<b>1,293</b>	<b>939</b>

<sup>1</sup> 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.

<sup>2</sup> Includes \$381 million (2025: \$603 million) in the Consolidated Entity and \$50 million (2025: \$65 million) in the Company for transportation, storage and certain other trading related costs.

## Note 2

### Operating profit before income tax continued

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
<b>Net investment income</b>				
Net gain on sale of interests in associates, joint ventures, subsidiaries and businesses <sup>1</sup>	3,511	620	4,307	1
Net gain on financial investments, other financial and non-financial assets	292	29	42	11
Share of net profits from associates and joint ventures	56	39	-	-
Dividends from subsidiaries	-	-	517	1,196
<b>Net investment income</b>	<b>3,859</b>	<b>688</b>	<b>4,866</b>	<b>1,208</b>
<b>Credit and other impairment (charges)/ reversals</b>				
<b>Credit impairment (charges)/reversals</b>				
Loan assets <sup>2</sup>	(225)	(73)	(192)	(56)
Financial investments, other assets and undrawn credit commitments	(73)	(21)	(60)	1
Margin money and settlement assets	7	(17)	6	(16)
<b>Gross credit impairment charges</b>	<b>(291)</b>	<b>(111)</b>	<b>(246)</b>	<b>(71)</b>
Recovery of amounts previously written off	-	1	-	1
<b>Net credit impairment charges</b>	<b>(291)</b>	<b>(110)</b>	<b>(246)</b>	<b>(70)</b>
<b>Other impairment (charges)/reversals</b>				
Intangible and other non-financial assets	(82)	(38)	1	(5)
Interests in associates and joint ventures	15	(2)	-	-
Investment in subsidiaries	-	-	-	18
<b>Net other impairment (charges)/reversals</b>	<b>(67)</b>	<b>(40)</b>	<b>1</b>	<b>13</b>
<b>Total credit and other impairment charges</b>	<b>(358)</b>	<b>(150)</b>	<b>(245)</b>	<b>(57)</b>
<b>Net other operating income</b>				
<b>Operating lease income</b>				
Rental income	777	845	443	569
Depreciation	(314)	(425)	(159)	(260)
<b>Net operating lease income</b>	<b>463</b>	<b>420</b>	<b>284</b>	<b>309</b>
Net other income/(charges)	83	96	(44)	37
<b>Total net other operating income</b>	<b>546</b>	<b>516</b>	<b>240</b>	<b>346</b>
<b>Net operating income</b>	<b>15,095</b>	<b>11,920</b>	<b>12,858</b>	<b>8,727</b>

<sup>1</sup> Includes transactions with subsidiaries and other Macquarie Group entities, refer to Note 24 *Related party information*.

<sup>2</sup> Balances under Company includes ECL reversals/(charges) on amounts Due from subsidiaries.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 2

### Operating profit before income tax continued

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
<b>Employment expenses</b>				
Salary and related costs including commissions, superannuation and performance-related profit share	(4,252)	(4,042)	(1,357)	(1,149)
Share-based payments	(495)	(481)	(186)	(176)
Provision for long service leave and annual leave	(36)	(34)	(13)	(7)
Total compensation expenses	(4,783)	(4,557)	(1,556)	(1,332)
Other employment expenses including on-costs, staff procurement and staff training	(277)	(254)	(94)	(79)
<b>Total employment expenses</b>	<b>(5,060)</b>	<b>(4,811)</b>	<b>(1,650)</b>	<b>(1,411)</b>
<b>Brokerage, commission and fee expenses</b>				
Brokerage and other trading-related fee expenses	(577)	(531)	(424)	(354)
Other fee and commission expenses	(200)	(113)	(301)	(185)
<b>Total brokerage, commission and fee expenses</b>	<b>(777)</b>	<b>(644)</b>	<b>(725)</b>	<b>(539)</b>
<b>Non-salary technology expenses</b>				
Information services	(145)	(144)	(70)	(68)
Depreciation on own use assets: equipment (Note19)	(35)	(30)	(9)	(7)
Service provider technology expenses	(825)	(787)	(229)	(144)
<b>Total non-salary technology expenses</b>	<b>(1,005)</b>	<b>(961)</b>	<b>(308)</b>	<b>(219)</b>
<b>Other operating expenses</b>				
<b>Occupancy expenses</b>				
Lease and related amortisation expenses	(261)	(291)	(68)	(68)
Depreciation on own use assets: buildings, furniture, fittings and leasehold improvements (Note 19)	(146)	(124)	(80)	(59)
<b>Total occupancy expenses</b>	<b>(407)</b>	<b>(415)</b>	<b>(148)</b>	<b>(127)</b>
<b>General administrative expenses</b>				
Service cost recoveries by Central Services Group	-	-	(2,387)	(2,445)
Professional fees	(217)	(231)	(163)	(92)
Indirect and other taxes	(50)	(78)	(58)	(59)
Travel and entertainment expenses	(77)	(74)	(26)	(23)
Advertising and promotional expenses	(45)	(46)	(41)	(41)
Fees for audit and other services	(36)	(35)	(27)	(26)
Other	(320)	(184)	(213)	(15)
<b>Total general administrative expenses</b>	<b>(745)</b>	<b>(648)</b>	<b>(2,915)</b>	<b>(2,701)</b>
<b>Total other operating expenses</b>	<b>(1,152)</b>	<b>(1,063)</b>	<b>(3,063)</b>	<b>(2,828)</b>
<b>Total operating expenses</b>	<b>(7,994)</b>	<b>(7,479)</b>	<b>(5,746)</b>	<b>(4,997)</b>
<b>Operating profit before income tax</b>	<b>7,101</b>	<b>4,441</b>	<b>7,112</b>	<b>3,730</b>

## 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).

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

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

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

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

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

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

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

#### Internal funding arrangements

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

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

#### Transactions between Operating Segments

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

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

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

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

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

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

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 3

### Segment reporting continued

#### (i) Operating segments

##### 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. In circumstances where income tax returns have not yet been lodged, the timing of recognition of any benefit or impact is subject to Senior Management discretion.

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.

##### Reportable segment assets

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

## Note 3

### Segment reporting continued

#### (i) Operating segments continued

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

	BFS \$m	CGM \$m	Corporate \$m	Total \$m
<b>CONSOLIDATED 2026</b>				
Net interest and trading income	2,899	4,403	603	7,905
Fee and commission income	668	748	1,727	3,143
Net investment income	1	1,366	2,492	3,859
Other operating income and charges				
Net credit and other impairment charges	(36)	(310)	(12)	(358)
Net other operating income and charges	-	486	60	546
Internal management revenue/(charge)	1	(6)	5	-
Net operating income	3,533	6,687	4,875	15,095
Total operating expenses	(1,923)	(3,044)	(3,027)	(7,994)
Operating profit before income tax	1,610	3,643	1,848	7,101
Income tax expense	-	-	(1,090)	(1,090)
<b>Net profit contribution</b>	<b>1,610</b>	<b>3,643</b>	<b>758</b>	<b>6,011</b>
<b>Reportable segment assets</b>	<b>202,188</b>	<b>183,136</b>	<b>77,757</b>	<b>463,081</b>
<b>CONSOLIDATED 2025</b>				
Net interest and trading income	2,717	4,736	803	8,256
Fee and commission income	611	525	1,474	2,610
Net investment income	(36)	119	605	688
Other operating income and charges				
Net credit and other impairment charges	(45)	(92)	(13)	(150)
Net other operating income and charges	(7)	500	23	516
Internal management (charges)/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/(loss) before income tax	1,380	2,872	189	4,441
Income tax expense	-	-	(996)	(996)
<b>Net profit/(loss) contribution</b>	<b>1,380</b>	<b>2,872</b>	<b>(807)</b>	<b>3,445</b>
<b>Reportable segment assets</b>	<b>163,348</b>	<b>149,628</b>	<b>62,245</b>	<b>375,221</b>

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 3

### Segment reporting continued

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

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

	BFS \$m	CGM \$m	Corporate \$m	Total \$m
<b>CONSOLIDATED 2026</b>				
<b>Fee and commission income</b>				
Service fee from Macquarie Group entities	-	-	1,680	1,680
Brokerage and stock lending fees	36	380	-	416
Portfolio administration fees	349	-	-	349
Lending fees	146	36	-	182
Other fee and commission income	137	332	47	516
<b>Total fee and commission income</b>	<b>668</b>	<b>748</b>	<b>1,727</b>	<b>3,143</b>
<b>CONSOLIDATED 2025</b>				
<b>Fee and commission income</b>				
Service fee from Macquarie Group entities	-	-	1,493	1,493
Brokerage and stock lending fees	44	307	-	351
Portfolio administration fees	319	-	-	319
Lending fees	143	5	-	148
Other fee and commission income	105	213	(19)	299
<b>Total fee and commission income</b>	<b>611</b>	<b>525</b>	<b>1,474</b>	<b>2,610</b>

#### (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 are based on the tax domicile of the entity in which the transactions are 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 2026		CONSOLIDATED 2025	
	Income	Non-current assets	Income	Non-current assets
	\$m	\$m	\$m	\$m
Australia and New Zealand <sup>1</sup>	8,808	1,901	5,543	2,175
Europe, Middle East and Africa <sup>2</sup>	3,791	932	3,240	3,029
Americas <sup>3</sup>	1,966	890	2,584	1,181
Asia	530	128	553	261
<b>Total</b>	<b>15,095</b>	<b>3,851</b>	<b>11,920</b>	<b>6,646</b>

#### (v) Major customers

The Consolidated Entity does not rely on any major customers.

<sup>1</sup> Includes gain on sale of subsidiaries of \$2,422 million from sale of equity interest in Macquarie International Finance Limited and its subsidiaries including its North American Power, Gas and Emissions and the Canadian physical oil business to Macquarie Group Limited, the Ultimate parent. For details of the transfer, refer to Note 24 *Related party information*.

<sup>2</sup> Include income of \$3,374 million (2025: \$2,889 million) and non-current assets of \$713 million (2025: \$2,704 million) from the United Kingdom.

<sup>3</sup> Include income of \$1,956 million (2025: \$2,418 million) and non-current assets of \$886 million (2025: \$1,169 million) from the United States.

## Note 4

### Income tax expense

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
<b>(i) Income tax (expense)/benefit</b>				
Current tax expense	(1,166)	(1,020)	(797)	(615)
Deferred tax benefit/(expense)	76	24	145	(12)
<b>Total income tax expense</b>	<b>(1,090)</b>	<b>(996)</b>	<b>(652)</b>	<b>(627)</b>
<b>(ii) Reconciliation of income tax expense to prima facie tax expense</b>				
Prima facie income tax expense on operating profit @30% (2025: 30%)	(2,126)	(1,332)	(2,134)	(1,119)
Tax effect of amounts which are (non-deductible)/non-assessable in calculating taxable income:				
Rate differential on offshore income	414	252	112	231
Intra-group dividends	-	-	155	359
Gain on transactions under common control	749	183	1,293	-
Impairment on subsidiaries	-	-	-	5
Other items	(127)	(99)	(78)	(103)
<b>Total income tax expense</b>	<b>(1,090)</b>	<b>(996)</b>	<b>(652)</b>	<b>(627)</b>
<b>(iii) Tax benefit/(expense) relating to Other Comprehensive Income (OCI)</b>				
FVOCI reserve	(11)	12	(7)	14
Own credit risk	-	1	-	1
Cash flow hedges and cost of hedging	14	(21)	19	(21)
Share of other comprehensive expense of associates and joint ventures	18	(3)	-	-
<b>Total tax benefit/(expense) relating to OCI</b>	<b>21</b>	<b>(11)</b>	<b>12</b>	<b>(6)</b>
<b>(iv) Deferred tax (expense)/benefit represents movements in deferred tax assets and liabilities</b>				
Property, plant and equipment	12	(20)	15	(1)
Intangible assets	(2)	11	10	8
Financial investments and interests in associates and joint ventures	57	11	(1)	(2)
Tax losses	(39)	(8)	-	-
Operating and finance leases	70	(55)	99	(33)
Loan assets and derivatives	(10)	(13)	(9)	(19)
Other assets and liabilities	(12)	98	31	35
<b>Deferred tax benefit/(expense)</b>	<b>76</b>	<b>24</b>	<b>145</b>	<b>(12)</b>

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 \$5.5 million (2025: \$0.2 million).

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 5

### Deferred tax assets/(liabilities)

The balance comprises temporary differences attributable to:

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Other assets and liabilities	906	960	478	448
Intangible assets	202	205	150	140
Financial investments and interests in associates and joint ventures	110	57	14	15
Tax losses	16	55	-	-
Property, plant and equipment	54	51	-	-
Loan assets and derivatives	37	44	34	37
Operating and finance leases	52	13	-	-
Set-off of deferred tax liabilities	(224)	(290)	(23)	(120)
<b>Net deferred tax assets</b>	<b>1,153</b>	<b>1,095</b>	<b>653</b>	<b>520</b>
Intangible assets	(7)	(8)	-	-
Loan assets and derivatives	(17)	(16)	(3)	(9)
Property, plant and equipment	(8)	(17)	(2)	(17)
Other assets and liabilities	(12)	(29)	-	1
Financial investments and interests in associates and joint ventures	(40)	(62)	(1)	(1)
Operating and finance leases	(148)	(179)	(17)	(116)
Set-off of deferred tax assets	224	290	23	120
<b>Net deferred tax liabilities</b>	<b>(8)</b>	<b>(21)</b>	<b>-</b>	<b>(22)</b>

The majority of 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 \$110 million (2025: \$94 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 the following gross losses:

	CONSOLIDATED	
	2026	2025
	\$m	\$m
<b>Loss expiry period</b>		
Less than 5 years	28	1
5 to 10 years	-	-
10 to 20 years	52	83
No expiry	405	457
<b>Total</b>	<b>485</b>	<b>541</b>

## Note 6

### Loan assets

	2026			2025		
	Gross carrying value \$m	ECL allowance \$m	Net carrying value \$m	Gross carrying value \$m	ECL allowance \$m	Net carrying value \$m
	<b>CONSOLIDATED</b>					
Home loans	183,198	(159)	183,039	143,111	(125)	142,986
Corporate, commercial and other lending	38,434	(411)	38,023	31,752	(284)	31,468
Asset financing	5,193	(44)	5,149	7,022	(90)	6,932
<b>Total loan assets<sup>1</sup></b>	<b>226,825</b>	<b>(614)</b>	<b>226,211</b>	<b>181,885</b>	<b>(499)</b>	<b>181,386</b>
	<b>COMPANY</b>					
Home loans	183,198	(159)	183,039	143,111	(125)	142,986
Corporate, commercial and other lending	33,565	(366)	33,199	30,051	(227)	29,824
Asset financing	4,379	(36)	4,343	6,268	(84)	6,184
<b>Total loan assets<sup>1</sup></b>	<b>221,142</b>	<b>(561)</b>	<b>220,581</b>	<b>179,430</b>	<b>(436)</b>	<b>178,994</b>

Of the above amounts, \$173,057 million (2025: \$138,132 million) is expected to be recovered more than 12 months after the balance date by the Consolidated Entity and \$171,031 million (2025: \$136,902 million) by the Company.

<sup>1</sup> 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 2026 continued

## Note 7

### Expected credit losses

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

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

### Model inputs

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

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

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

The key model inputs used in measuring the ECL include:

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

### Significant increase in credit risk (SICR)

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

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

### Retail exposures

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

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

### Wholesale exposures

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

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

### Definition of default

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

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

## Note 7

### Expected credit losses continued

#### Forward-looking information (FLI)

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

The Consolidated Entity applies its professional judgement in determining whether there are any inherent risks in the models' predictive outcomes. The overlays primarily reflect management's assessment of the current economic and credit environment. These overlays account for the risk that underlying credit risk events have occurred, but observable modelled inputs are yet to reflect those events, as well as risks that are specific to regions, counterparties or industries which are difficult to account for within the modelled outcomes. Over time the credit models are recalibrated to enhance the predictive capability. In the current period specific overlays have been applied after review of portfolio performance, modelled outcomes and with consideration given to the prevailing uncertain macro-economic and geopolitical environment. At the reporting date total overlays were approximately \$175 million (2025: \$150 million). These judgements are reviewed by FPE and RMG at each reporting date.

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

The scenarios have been developed using a combination of publicly available data, internal forecasts and third-party information. The baseline assumes that the conflict in the Middle East is relatively short lived and results in only limited disruption in economic growth. The downside scenario assumes a more protracted conflict which results in a material slowdown to global growth. The severe downside assumes a prolonged period of historically high oil prices in a global recession similar to the Great Recession of 2008-2009. The upside scenario is anchored to the baseline on a relative basis.

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

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

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

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

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

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

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

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 7

### Expected credit losses continued

#### Forward-looking information (FLI) continued

Scenario	Weighting	Expectation
<b>Baseline</b> A 100% weighting to this scenario would result in a total expected credit loss provision on balance sheet at the reporting date of ~\$650 million <sup>1</sup>	Probable	<p><b>Global:</b> The baseline scenario projects global GDP growth to ease to 2.6% in the year to December 2026, down slightly from 2.7% in the previous year (global growth was increasing prior to the conflict in the Middle East). This outlook assumes that the conflict results in only limited economic growth disruption.</p> <p><b>Australia:</b> GDP is forecast to slow significantly to 1.6% in the year to December 2026 from 2.6% in the year ended December 2025, reflecting higher energy prices and tighter monetary policy. The Reserve Bank of Australia (RBA) has already raised rates by 75 basis points in early 2026 with the bond market expecting the cash rate to increase another 35 basis points to 4.7% by the end of 2026. Higher interest rates and rising living costs are likely to weigh on household spending and housing activity, while the labour market is expected to remain relatively stable, with unemployment of 4.4% in 2026 and 4.5% in 2027. House prices are projected to rise 3.4% in 2026 and 2.6% in 2027.</p> <p><b>United States:</b> GDP is forecast to expand by 2.4% in the year to December 2026, compared to 2.0% in the same period for 2025, despite a temporary slowdown in the first half of the year. Growth is supported by expansionary fiscal policy, reduced trade policy uncertainty, and continued strength in business investment, particularly in the tech and energy sectors. Following 75 basis points of rate cuts in 2025, the Federal Reserve is expected to keep policy rates on hold through 2026, with a 25 basis points hike anticipated in the first quarter of 2027. The unemployment rate is projected to decrease over the year ending 2026 at 4.2% in part reflecting very low rates of net immigration.</p> <p><b>Europe:</b> The scenario forecasts GDP growth of 0.8% in the year to December 2026, down from 1.2% the year prior, reflecting the impact of higher energy prices and elevated uncertainty. Inflation is projected to rise to 2.6% by end-2026, up from 2.1% at end-2025. The European Central Bank (ECB) is expected to raise interest rates by a total of 50 basis points, taking the policy rate to 2.5% by mid-2026. Despite weaker growth, labour market conditions are expected to remain stable, with the unemployment rate broadly unchanged at 6.3% by end-2026.</p>
<b>Downside</b> A 100% weighting to this scenario would result in a total expected credit loss provision on balance sheet at the reporting date of ~\$850 million <sup>1</sup>	Possible	<p><b>Global:</b> The downside scenario assumes the conflict in the Middle East persists with material disruption to global energy markets. Under this scenario, economic growth slows markedly, to be approximately 1 percentage point lower than the baseline.</p> <p><b>Australia:</b> Under this scenario, a temporary surge in oil prices to US\$200 per barrel is expected to lead to a much sharper slowdown in activity. GDP growth of 0.9% in the year to December 2026 is projected, with output essentially flat over Q2 and Q3 of 2026 as higher energy costs weigh on household spending. Inflationary pressures lead to RBA policy tightening, lifting the cash rate to 4.85%. House prices increase by 0.1% in 2026 and 2.2% in 2027.</p> <p><b>United States:</b> In this scenario, GDP growth is projected to slow to 1.3% in the year to December 2026, as a prolonged increase in oil prices weighs on consumer spending and confidence. Inflation is expected to rise further, peaking at 4.2% in the third quarter of 2026 reflecting sustained pass-through from energy prices. The Federal Reserve is expected to hold policy rates unchanged through 2026 and 2027. Labour market conditions are expected to soften, with the unemployment rate rising to 4.7% by end-2026, up from 4.4% the year prior.</p> <p><b>Europe:</b> In this scenario GDP growth of 0.1% is projected in the year to December 2026. Inflation is projected to rise to 4.0% by end-2026, reflecting higher energy prices. The ECB is expected to raise policy rates further to 3.0% by end-2026 and the unemployment rate is expected to increase to 6.7% by end-2026.</p>

<sup>1</sup> This number provides 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 7

### Expected credit losses continued

#### Forward-looking information (FLI) continued

Scenario	Weighting	Expectation
<p><b>Severe Downside</b></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 ~\$1,350 million<sup>1</sup></p>	Unlikely	<p><b>Global:</b> The scenario projects a sharp slowdown in annual real GDP growth equivalent to the shock during the Great Recession of 2008-2009. This shock results in global GDP contracting by 0.1% and 3.3% in 2026 and 2027, respectively.</p> <p><b>Australia:</b> The scenario projects that GDP will contract by 0.9% and 4.2% in 2026 and 2027, respectively. Unemployment is forecast to rise significantly and peak at 9.6% by the second half of 2028. Inflation is expected to rise to 4.6%, prompting a tightening cycle with the RBA projected to hike the cash rate by 150 basis points to 5.10% by the end of 2026 before embarking on an easing cycle in 2027. House prices are projected to contract materially in 2026 and 2027, with respective declines of 3.5% and 16.9%.</p> <p><b>United States:</b> The scenario projects the US economy will contract by 0.1% and 3.3% in 2026 and 2027, respectively. In response to price pressures, the US Federal Reserve is expected to hike its policy rate by 150 basis points to 5.13% by the end of the third quarter of 2026. Weak labour market conditions prompt a significant easing cycle thereafter that brings the federal funds rate to 1.88% by end-2027. Unemployment is projected to rise to 5.9% by end-2026 and reach 9.5% by end-2027.</p> <p><b>Europe:</b> The scenario projects a GDP contraction of 1.7% in 2026, followed by a further contraction of 4.3% in 2027. Unemployment is projected to rise to 7.7% in the fourth quarter of 2026 and reach 11.3% by end-2027.</p>
<p><b>Upside</b></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 ~\$500 million<sup>1</sup></p>	Unlikely	<p><b>Global:</b> The upside scenario projects annual real GDP growth that is approximately 1 percentage point higher than the baseline until mid-2027.</p> <p><b>Australia:</b> The scenario projects GDP will expand by 2.9% in 2026 and 2027. Continued economic expansion and capacity issues are expected to put upward pressure on prices; consumer prices are projected to rise by 3.2% and 3.0% in 2026 and 2027, respectively. Following a projected 25 basis points rate cut in the fourth quarter of 2026, the RBA is expected to hold rates at 3.85%. House prices are projected to rise in 2026 and 2027, with respective increases of 7.0% and 4.8%.</p> <p><b>United States:</b> The scenario projects GDP will expand by 3.6% and 2.6% in 2026 and 2027, respectively. Inflation is expected to converge with the US Federal Reserve's target inflation rate of 2.0% by end-2027, facilitating 50 basis points in rate cuts in 2027 after holding the Fed Funds rate at 3.63% in 2026. The unemployment rate is projected to gradually fall over the course of 2026-27, reaching 3.3% by end-2027.</p> <p><b>Europe:</b> The scenario projects a 1.9% expansion in GDP in 2026, followed by growth of 2.4% in 2027. The unemployment rate is expected to ease modestly over the course of 2026-27, reaching 5.7% by end-2027, compared with 6.3% at end-2025.</p>

<sup>1</sup> This number provides 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 2026 continued

## Note 7

### 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	
<b>CONSOLIDATED 2026</b>								
Cash and bank balances	19,159	-	-	19,159	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	21,048	46,298	-	67,346	6	-	-	6
Margin money and settlement assets	18,863	-	-	18,863	8	-	-	8
Financial investments	3,395	19,887	-	23,282	2	4	-	6
Other assets	2,679	399	-	3,078	66	-	-	66
Loan assets	224,653	-	-	224,653	613	-	-	613
Due from other Macquarie Group entities	1,418	-	-	1,418	1	-	-	1
Undrawn credit commitments	-	-	32,367	32,367	-	-	80	80
<b>Total</b>	<b>291,215</b>	<b>66,584</b>	<b>32,367</b>	<b>390,166</b>	<b>696</b>	<b>4</b>	<b>80</b>	<b>780</b>
<b>CONSOLIDATED 2025</b>								
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
<b>Total</b>	<b>247,076</b>	<b>48,816</b>	<b>26,846</b>	<b>322,738</b>	<b>584</b>	<b>2</b>	<b>42</b>	<b>628</b>

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 30.1 *Credit risk*.

## Note 7

### Expected credit losses continued

	GROSS EXPOSURE FOR FINANCIAL ASSETS CARRIED AT				ECL ALLOWANCE ON FINANCIAL ASSETS CARRIED AT			Total ECL allowance
	Amortised cost	FVOCI	Other	Gross exposure	Amortised cost	FVOCI	Other	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
	<b>COMPANY 2026</b>							
Cash and bank balances	15,371	-	-	15,371	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	20,269	44,646	-	64,915	5	-	-	5
Margin money and settlement assets	16,316	-	-	16,316	6	-	-	6
Financial investments	3,268	19,803	-	23,071	2	4	-	6
Other assets	1,294	399	-	1,693	53	-	-	53
Loan assets	219,113	-	-	219,113	561	-	-	561
Due from other Macquarie Group entities	770	-	-	770	-	-	-	-
Due from subsidiaries	10,809	-	-	10,809	4	-	1	5
Undrawn credit commitments	-	-	33,388	33,388	-	-	78	78
<b>Total</b>	<b>287,210</b>	<b>64,848</b>	<b>33,388</b>	<b>385,446</b>	<b>631</b>	<b>4</b>	<b>79</b>	<b>714</b>
	<b>COMPANY 2025</b>							
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
<b>Total</b>	<b>241,504</b>	<b>47,270</b>	<b>28,634</b>	<b>317,408</b>	<b>516</b>	<b>2</b>	<b>39</b>	<b>557</b>

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 7

### Expected credit losses continued

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

	Cash and bank balances \$m	Cash collateralised lending and repurchase agreements \$m	Margin money and settlement assets \$m	Financial investments \$m	Other assets \$m	Loan assets \$m	Due from other Macquarie Group entities \$m	Undrawn credit commitments \$m	Total \$m
									<b>CONSOLIDATED</b>
<b>Balance as at 1 Apr 2024</b>	1	1	40	1	114	551	-	46	754
Credit impairment charges/ (reversals) (Note 2)	-	-	17	7	19	73	-	(5)	111
Amount written off, previously provided for	-	-	(22)	-	(23)	(126)	-	-	(171)
Reclassifications, foreign exchange, disposals and other movements	(1)	1	-	(1)	(67)	1	-	1	(66)
<b>Balance as at 31 Mar 2025</b>	-	2	35	7	43	499	-	42	628
Credit impairment charges/ (reversals) (Note 2)	-	-	(5)	(1)	27	225	5	40	291
Amount written off, previously provided for	-	-	(14)	-	(4)	(56)	-	-	(74)
Reclassifications, foreign exchange, disposals and other movements	-	4	(8)	-	-	(55)	(4)	(2)	(65)
<b>Balance as at 31 Mar 2026</b>	-	6	8	6	66	613	1	80	780

	Cash and bank balances \$m	Cash collateralised lending and repurchase agreements \$m	Margin money and settlement assets \$m	Financial investments \$m	Other assets \$m	Loan assets \$m	Due from subsidiaries \$m	Undrawn credit commitments \$m	Total \$m
									<b>COMPANY</b>
<b>Balance as at 1 Apr 2024</b>	-	1	39	1	39	494	4	41	619
Credit impairment charges/ (reversals) (Note 2)	-	-	16	7	(1)	52	-	(3)	71
Amount written off, previously provided for	-	-	(22)	-	(4)	(112)	-	-	(138)
Reclassifications, foreign exchange, disposals and other movements	-	1	(1)	(1)	3	2	-	1	5
<b>Balance as at 31 Mar 2025</b>	-	2	32	7	37	436	4	39	557
Credit impairment charges/ (reversals) (Note 2)	-	-	(6)	(1)	22	179	11	41	246
Amount written off, previously provided for	-	-	(14)	-	(4)	(20)	-	-	(38)
Reclassifications, foreign exchange, disposals and other movements	-	3	(6)	-	(2)	(34)	(10)	(2)	(51)
<b>Balance as at 31 Mar 2026</b>	-	5	6	6	53	561	5	78	714

## Note 7

### 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	
				<b>CONSOLIDATED</b>
<b>Balance as at 1 Apr 2024</b>	203	118	230	551
Transfer during the period	19	(17)	(2)	-
Credit impairment (reversals)/charges (Note 2)	(4)	35	42	73
Amounts written off, previously provided for	-	-	(126)	(126)
Reclassifications, foreign exchange and other movements	-	-	1	1
<b>Balance as at 31 Mar 2025</b>	218	136	145	499
Transfer during the period	<b>21</b>	<b>(19)</b>	<b>(2)</b>	-
Credit impairment (reversals)/charges	<b>76</b>	<b>37</b>	<b>112</b>	<b>225</b>
Amounts written off, previously provided for	-	-	<b>(56)</b>	<b>(56)</b>
Reclassifications, foreign exchange and other movements	<b>(27)</b>	<b>(13)</b>	<b>(15)</b>	<b>(55)</b>
<b>Balance as at 31 Mar 2026</b>	<b>288</b>	<b>141</b>	<b>184</b>	<b>613</b>
				<b>COMPANY</b>
<b>Balance as at 1 Apr 2024</b>	183	106	205	494
Transfer during the period	19	(16)	(3)	-
Credit impairment (reversals)/charges (Note 2)	-	37	15	52
Amounts written off, previously provided for	-	-	(112)	(112)
Reclassifications, foreign exchange and other movements	2	-	-	2
<b>Balance as at 31 Mar 2025</b>	204	127	105	436
Transfer during the period	<b>20</b>	<b>(18)</b>	<b>(2)</b>	-
Credit impairment (reversals)/charges (Note 2)	<b>53</b>	<b>39</b>	<b>87</b>	<b>179</b>
Amounts written off, previously provided for	-	-	<b>(20)</b>	<b>(20)</b>
Reclassifications, foreign exchange and other movements	<b>(23)</b>	<b>(8)</b>	<b>(3)</b>	<b>(34)</b>
<b>Balance as at 31 Mar 2026</b>	<b>254</b>	<b>140</b>	<b>167</b>	<b>561</b>

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 8

### Trading assets

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Equity securities	24,716	14,906	24,716	14,904
Debt securities	5,149	4,621	4,983	4,587
Commodity inventories	4,251	7,135	4,258	6,781
Commodity contracts	4,042	3,067	3,395	2,431
<b>Total trading assets</b>	<b>38,158</b>	<b>29,729</b>	<b>37,352</b>	<b>28,703</b>

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

## Note 9

### Margin money and settlement assets

Margin money	15,249	16,366	12,696	13,263
Security settlement assets	2,821	1,890	2,822	1,905
Commodity settlement assets	825	1,816	802	805
<b>Total margin money and settlement assets</b>	<b>18,895</b>	<b>20,072</b>	<b>16,320</b>	<b>15,973</b>

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

## Note 10

### Derivative assets

Held for trading	41,595	23,015	37,199	20,560
Designated in hedge relationships	653	921	446	663
<b>Total derivative assets</b>	<b>42,248</b>	<b>23,936</b>	<b>37,645</b>	<b>21,223</b>

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

## Note 11

### Financial investments

Equity securities	289	210	144	138
Debt securities:				
Liquid asset holdings	19,054	14,127	18,971	14,042
Bonds, money market and other securities	4,303	2,720	4,175	2,720
<b>Total financial investments</b>	<b>23,646</b>	<b>17,057</b>	<b>23,290</b>	<b>16,900</b>

Of the above amounts, \$2,378 million (2025: \$1,854 million) is expected to be recovered more than 12 months after the balance date by the Consolidated Entity and \$2,181 million (2025: \$1,785 million) by the Company.

## Note 12

### Deposits

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Interest bearing deposits at:				
Call	166,067	130,172	165,973	130,100
Term	20,326	19,756	19,282	18,242
Home loan offset deposits at call	29,814	22,874	29,814	22,874
Non-interest bearing deposits at call	5,340	4,869	5,316	4,827
<b>Total deposits</b>	<b>221,547</b>	<b>177,671</b>	<b>220,385</b>	<b>176,043</b>

## Note 13

### Trading liabilities

Equity securities	12,294	5,476	12,294	5,476
Others	-	277	-	82
<b>Total trading liabilities</b>	<b>12,294</b>	<b>5,753</b>	<b>12,294</b>	<b>5,558</b>

## Note 14

### Margin money and settlement liabilities

Margin money	21,189	15,994	18,768	13,867
Commodity settlement liabilities	3,798	5,878	3,576	4,948
Security settlement liabilities	2,675	1,738	2,675	1,737
<b>Total margin money and settlement liabilities</b>	<b>27,662</b>	<b>23,610</b>	<b>25,019</b>	<b>20,552</b>

## Note 15

### Derivative liabilities

Held for trading	35,548	22,380	30,626	20,388
Designated in hedge relationships	799	804	748	795
<b>Total derivative liabilities</b>	<b>36,347</b>	<b>23,184</b>	<b>31,374</b>	<b>21,183</b>

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 16

### Issued debt securities and other borrowings

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Commercial paper	35,496	39,003	35,496	38,254
Bonds	30,305	20,690	30,347	20,686
Securitised notes <sup>1</sup>	9,853	10,749	-	-
Certificates of deposit	6,316	2,034	6,316	2,034
Structured notes <sup>2</sup>	699	669	699	669
Other debt securities <sup>2</sup>	231	472	231	472
<b>Total issued debt securities</b>	<b>82,900</b>	<b>73,617</b>	<b>73,089</b>	<b>62,115</b>
Borrowings	11,699	12,187	7,374	4,891
<b>Total issued debt securities and other borrowings</b>	<b>94,599</b>	<b>85,804</b>	<b>80,463</b>	<b>67,006</b>

<b>Reconciliation of issued debt securities and other borrowings by major currency</b>				
<i>(In Australian dollar equivalent)</i>				
United States dollar	57,361	52,842	54,322	45,868
Australian dollar	18,092	15,765	7,463	5,015
Euro	15,203	12,783	14,842	12,168
Pound sterling	2,652	3,292	2,597	3,284
Other	1,291	1,122	1,239	671
<b>Total issued debt securities and other borrowings</b>	<b>94,599</b>	<b>85,804</b>	<b>80,463</b>	<b>67,006</b>

<sup>1</sup> 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 33 Pledged assets and transfers of assets for the details of assets pledged for the liabilities of the Consolidated Entity.

<sup>2</sup> The Consolidated Entity includes a cumulative fair value loss recognised in OCI of \$1 million (2025: \$1 million gain) due to changes in own credit risk on issued debt securities measured at DFVTPL.

## Note 17

### Other assets

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
<b>Other financial assets</b>				
Commodity-related receivables	4,231	4,345	3,348	2,724
Trade debtors and other receivables	2,134	1,048	807	935
Fee and commission receivables	109	110	71	65
<b>Total other financial assets</b>	<b>6,474</b>	<b>5,503</b>	<b>4,226</b>	<b>3,724</b>
<b>Other non-financial assets</b>				
Prepayments	266	421	63	156
Income tax receivables	208	323	66	183
Interests in associates and joint ventures <sup>1</sup>	140	588	39	165
Indirect tax receivables	67	213	6	50
Intangible assets	15	69	-	3
Other	139	109	12	17
<b>Total other non-financial assets</b>	<b>835</b>	<b>1,723</b>	<b>186</b>	<b>574</b>
<b>Total other assets</b>	<b>7,309</b>	<b>7,226</b>	<b>4,412</b>	<b>4,298</b>

Of the above amounts, \$673 million (2025: \$1,050 million) is expected to be recovered more than 12 months after the balance date by the Consolidated Entity and \$173 million (2025: \$419 million) by the Company.

<sup>1</sup> Includes transactions with subsidiaries and other Macquarie Group entities, refer to Note 24 *Related party information*.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 18

### Other liabilities

	CONSOLIDATED		COMPANY	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
<b>Other financial liabilities</b>				
Commodity-related payables	3,973	3,579	3,591	2,712
Trade and other payables	1,103	1,489	982	1,348
Lease liabilities	675	762	3	-
<b>Total other financial liabilities</b>	<b>5,751</b>	<b>5,830</b>	<b>4,576</b>	<b>4,060</b>
<b>Other non-financial liabilities</b>				
Employment-related liabilities	1,613	1,598	703	591
Provisions <sup>1</sup>	1,118	1,161	852	772
Accrued charges and other payables	1,091	793	904	551
Income tax provision <sup>2</sup>	249	224	104	62
Indirect taxes payables	199	148	157	111
Others	91	140	9	111
<b>Total other non-financial liabilities</b>	<b>4,361</b>	<b>4,064</b>	<b>2,729</b>	<b>2,198</b>
<b>Total other liabilities</b>	<b>10,112</b>	<b>9,894</b>	<b>7,305</b>	<b>6,258</b>

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

Balance at the beginning of the year	1,161	1,456	772	837
Charged/(credited) to income statement	111	24	136	(27)
Utilisation during the year	(78)	(55)	(21)	(71)
Foreign exchange movements	(36)	38	(35)	33
Transfers for transactions under common control	(40)	(302)	-	-
<b>Balance at the end of the year</b>	<b>1,118</b>	<b>1,161</b>	<b>852</b>	<b>772</b>

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

<sup>2</sup> 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 19

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

	2026			2025		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
	\$m	\$m	\$m	\$m	\$m	\$m
<b>CONSOLIDATED</b>						
<b>Assets for own use</b>						
Land and buildings	1,480	(94)	1,386	1,468	(67)	1,401
Furniture, fittings and leasehold improvements	926	(445)	481	1,014	(410)	604
Equipment	287	(197)	90	250	(122)	128
<b>Total assets for own use</b>	<b>2,693</b>	<b>(736)</b>	<b>1,957</b>	<b>2,732</b>	<b>(599)</b>	<b>2,133</b>
<b>Assets under operating lease</b>						
Meters	1,368	(1,176)	192	3,058	(1,473)	1,585
Telecommunications	358	-	358	817	-	817
Equipment and others	899	(213)	686	1,220	(350)	870
<b>Total assets under operating lease</b>	<b>2,625</b>	<b>(1,389)</b>	<b>1,236</b>	<b>5,095</b>	<b>(1,823)</b>	<b>3,272</b>
<b>Right-of-use assets</b>						
Office premises	925	(463)	462	970	(423)	547
Equipment, vehicle and storage	63	(22)	41	52	(15)	37
<b>Total right-of-use assets</b>	<b>988</b>	<b>(485)</b>	<b>503</b>	<b>1,022</b>	<b>(438)</b>	<b>584</b>
<b>Total property, plant and equipment and right-of-use assets</b>	<b>6,306</b>	<b>(2,610)</b>	<b>3,696</b>	<b>8,849</b>	<b>(2,860)</b>	<b>5,989</b>
<b>COMPANY</b>						
<b>Assets for own use</b>						
Land and buildings	1,486	(95)	1,391	1,473	(67)	1,406
Furniture, fittings and leasehold improvements	393	(172)	221	380	(120)	260
Equipment	57	(39)	18	39	(22)	17
<b>Total assets for own use</b>	<b>1,936</b>	<b>(306)</b>	<b>1,630</b>	<b>1,892</b>	<b>(209)</b>	<b>1,683</b>
<b>Assets under operating lease</b>						
Meters	-	-	-	2,852	(1,279)	1,573
Telecommunications	358	-	358	817	-	817
Equipment and others	228	(45)	183	167	(27)	140
<b>Total assets under operating lease</b>	<b>586</b>	<b>(45)</b>	<b>541</b>	<b>3,836</b>	<b>(1,306)</b>	<b>2,530</b>
<b>Right-of-use assets</b>						
Office premises	6	(3)	3	-	-	-
<b>Total right-of-use assets</b>	<b>6</b>	<b>(3)</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>2,528</b>	<b>(354)</b>	<b>2,174</b>	<b>5,728</b>	<b>(1,515)</b>	<b>4,213</b>

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

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 19

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

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

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
<b>Assets under operating lease</b>				
Within one year	169	245	59	37
Between one to two years	136	166	34	31
Between two to three years	107	129	18	11
Between three to four years	64	91	8	5
Between four to five years	25	32	5	1
Later than five years	3	5	3	4
<b>Total future minimum lease payments receivable</b>	<b>504</b>	<b>668</b>	<b>127</b>	<b>89</b>

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

	Land and buildings	Furniture, fittings and leasehold improvements	Equipment	Total
	\$m	\$m	\$m	\$m
				<b>CONSOLIDATED</b>
<b>Assets for own use</b>				
Balance as at 1 Apr 2024	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
<b>Balance as at 31 Mar 2025<sup>1</sup></b>	<b>1,401</b>	<b>604</b>	<b>128</b>	<b>2,133</b>
Acquisitions and additions	25	35	65	125
Disposals	-	(11)	(4)	(15)
Depreciation expense (Note 2)	(27)	(119)	(35)	(181)
Impairments	-	(4)	(64)	(68)
Reclassification and other adjustments	(13)	-	10	(3)
Foreign exchange movements	-	(24)	(10)	(34)
<b>Balance as at 31 Mar 2026<sup>1</sup></b>	<b>1,386</b>	<b>481</b>	<b>90</b>	<b>1,957</b>

<sup>1</sup> Includes \$19 million (2025: \$19 million) for capital work in progress.

## Note 19

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

	Meters \$m	Telecommunications \$m	Equipment and others \$m	Total \$m
<b>CONSOLIDATED</b>				
<b>Assets under operating lease</b>				
Balance as at 1 Apr 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 <sup>1</sup>	(40)	(126)	(25)	(191)
Foreign exchange movements	103	49	21	173
<b>Balance as at 31 Mar 2025</b>	<b>1,585</b>	<b>817</b>	<b>870</b>	<b>3,272</b>
Acquisitions and additions	169	-	247	416
Disposals	(1,248)	-	(221)	(1,469)
Depreciation expense (Note 2)	(162)	-	(153)	(315)
(Impairments)/reversal of impairments	2	-	-	2
Reclassification and other adjustments <sup>1</sup>	(44)	(439)	5	(478)
Foreign exchange movements	(110)	(20)	(62)	(192)
<b>Balance as at 31 Mar 2026</b>	<b>192</b>	<b>358</b>	<b>686</b>	<b>1,236</b>

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
<b>COMPANY</b>				
<b>Assets for own use</b>				
Balance as at 1 Apr 2024	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
<b>Balance as at 31 Mar 2025<sup>2</sup></b>	<b>1,406</b>	<b>260</b>	<b>17</b>	<b>1,683</b>
Acquisitions and additions	25	14	13	52
Disposals	-	-	(4)	(4)
Depreciation expense (Note 2)	(27)	(53)	(9)	(89)
Impairments	-	-	(3)	(3)
Reclassification and other adjustments	(13)	-	4	(9)
<b>Balance as at 31 Mar 2026<sup>2</sup></b>	<b>1,391</b>	<b>221</b>	<b>18</b>	<b>1,630</b>

<sup>1</sup> Includes \$92 million gain (2025: \$90 million gain) on fair value hedge adjustments. Refer Note 34 *Hedge accounting*.

<sup>2</sup> Includes \$1 million (2025: \$1 million) for capital work in progress.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 19

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

	Meters \$m	Telecommunications \$m	Equipment and others \$m	Total \$m
<b>COMPANY</b>				
<b>Assets under operating lease</b>				
Balance as at 1 Apr 2024	1,528	921	273	2,722
Acquisitions and additions	203	-	77	280
Disposals	-	-	(2)	(2)
Impairments	(4)	-	-	(4)
Depreciation expense (Note 2)	(218)	(27)	(15)	(260)
Reclassification and other adjustments <sup>1</sup>	(38)	(126)	(197)	(361)
Foreign exchange movements	102	49	4	155
<b>Balance as at 31 Mar 2025</b>	<b>1,573</b>	<b>817</b>	<b>140</b>	<b>2,530</b>
Acquisitions and additions	49	-	62	111
Disposals	(1,376)	-	(2)	(1,378)
Depreciation expense (Note 2)	(138)	-	(22)	(160)
(Impairments)/reversal of impairments	2	-	-	2
Reclassification and other adjustments <sup>1</sup>	(38)	(439)	13	(464)
Foreign exchange movements	(72)	(20)	(8)	(100)
<b>Balance as at 31 Mar 2026</b>	<b>-</b>	<b>358</b>	<b>183</b>	<b>541</b>

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

	Office premises \$m	Equipment, vehicle and storage \$m	Total \$m
<b>CONSOLIDATED</b>			
<b>Right-of-use assets</b>			
Balance as at 1 Apr 2024	625	38	663
Acquisitions and additions	43	15	58
Disposals	(11)	-	(11)
Depreciation expense <sup>2</sup>	(117)	(8)	(125)
Impairments	(7)	-	(7)
Foreign exchange movements	23	1	24
Reclassification and other adjustments	(9)	(9)	(18)
<b>Balance as at 31 Mar 2025</b>	<b>547</b>	<b>37</b>	<b>584</b>
Acquisitions and additions	73	19	92
Disposals	(34)	-	(34)
Depreciation expense <sup>2</sup>	(94)	(11)	(105)
Impairments	(5)	(1)	(6)
Foreign exchange movements	(41)	(3)	(44)
Reclassification and other adjustments	16	-	16
<b>Balance as at 31 Mar 2026</b>	<b>462</b>	<b>41</b>	<b>503</b>

<sup>1</sup> Includes \$92 million gain (2025: \$90 million gain) on fair value hedge adjustments. Refer Note 34 *Hedge accounting*.

<sup>2</sup> Includes depreciation expense of \$94 million (2025: \$117 million) on office premise leases presented under other operating expenses, \$1 million (2025: \$1 million) on assets held for trading-related business presented under net trading income and \$6 million (2025: \$3 million) on technology leases presented under non-salary technology expenses in Note 2 *Operating profit before income tax*.

## Note 20

### Measurement categories of financial instruments

The following table contains information relating to the measurement categories (i.e. FVTPL, DFVTPL, FVOCI or Amortised cost) of assets and liabilities of the Consolidated Entity. The descriptions of measurement categories are included in Note 41(vii) *Financial instruments*.

The methods and significant assumptions that have been applied in determining the fair values of assets and liabilities are disclosed in Note 31 *Fair value of assets and liabilities*.

	FINANCIAL INSTRUMENTS CARRIED AT				Non-Financial Instruments	Statements of financial position total	FAIR VALUE OF ITEMS CARRIED AT	
	FAIR VALUE		FVOCI	Amortised Cost			Fair Value	Amortised Cost
	FVTPL <sup>1</sup>	DFVTPL <sup>2</sup>						
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	<b>CONSOLIDATED 2026</b>							
<b>Assets</b>								
Cash and bank balances	448	-	-	19,159	-	19,607	448	19,159
Cash collateralised lending and reverse repurchase agreements	9,999	-	46,298	21,042	-	77,339	56,297	21,042
Trading assets <sup>3</sup>	33,907	-	-	-	4,251	38,158	38,158	-
Margin money and settlement assets	40	-	-	18,855	-	18,895	40	18,855
Derivative assets	42,248	-	-	-	-	42,248	42,248	-
Financial investments:								
Equity	289	-	-	-	-	289	289	-
Debt <sup>4</sup>	220	-	19,743	3,394	-	23,357	19,963	3,394
Other assets	3,462	-	400	2,612	835	7,309	3,862	2,612
Loan assets <sup>4</sup>	823	-	-	225,388	-	226,211	823	225,319
Due from other Macquarie Group entities <sup>5</sup>	3,239	-	-	1,417	163	4,819	3,239	1,417
Property, plant and equipment and right-of-use assets <sup>4</sup>	-	-	-	-	3,696	3,696	-	-
Deferred tax assets	-	-	-	-	1,153	1,153	-	-
<b>Total assets</b>	<b>94,675</b>	<b>-</b>	<b>66,441</b>	<b>291,867</b>	<b>10,098</b>	<b>463,081</b>	<b>165,367</b>	<b>291,798</b>
<b>Liabilities</b>								
Deposits	-	-	-	221,547	-	221,547	-	221,526
Cash collateralised borrowing and repurchase agreements	-	1,357	-	5,462	-	6,819	1,357	5,462
Trading liabilities	12,294	-	-	-	-	12,294	12,294	-
Margin money and settlement liabilities	-	-	-	27,662	-	27,662	-	27,662
Derivative liabilities	36,347	-	-	-	-	36,347	36,347	-
Other liabilities <sup>6</sup>	7	3,933	-	1,813	4,359	10,112	3,940	1,138
Due to other Macquarie Group entities <sup>5</sup>	1,821	-	-	13,135	89	15,045	1,821	13,135
Issued debt securities and other borrowings <sup>4</sup>	-	1,003	-	93,596	-	94,599	1,003	93,693
Deferred tax liabilities	-	-	-	-	8	8	-	-
Loan capital <sup>4</sup>	-	-	-	14,068	-	14,068	-	14,357
<b>Total liabilities</b>	<b>50,469</b>	<b>6,293</b>	<b>-</b>	<b>377,283</b>	<b>4,456</b>	<b>438,501</b>	<b>56,762</b>	<b>376,973</b>

<sup>1</sup> Comparative information has been represented to conform to the presentation in the current period.

<sup>2</sup> The amount that would be contractually required to be paid at maturity for DFVTPL liabilities for the Consolidated Entity is \$6,768 million (2025: \$5,685 million) compared to the carrying value of \$6,293 million (2025: \$5,118 million) and for the Company is \$6,334 million (2025: \$4,434 million) compared to the carrying value of \$5,857 million (2025: \$3,867 million).

<sup>3</sup> Non-financial assets under 'Trading assets' represent commodities carried at fair value less costs to sell.

<sup>4</sup> Items measured at amortised cost or cost includes, where applicable, fair value hedge accounting adjustments for the designated hedged risks.

<sup>5</sup> Due from other Macquarie Group entities and Due to other Macquarie Group entities includes derivatives and trading positions classified as FVTPL. All other intercompany receivables or payables are carried at amortised cost except for non-financial instruments.

<sup>6</sup> 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 2026 continued

## Note 20

### Measurement categories of financial instruments continued

	FINANCIAL INSTRUMENTS CARRIED AT				Non-Financial Instruments	Statements of financial position total	FAIR VALUE OF ITEMS CARRIED AT	
	FAIR VALUE			Amortised Cost			Fair Value	Amortised Cost
	FVTPL <sup>1</sup>	DFVTPL <sup>2</sup>	FVOCI					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
<b>CONSOLIDATED 2025</b>								
<b>Assets</b>								
Cash and bank balances	32	-	-	22,237	-	22,269	32	22,237
Cash collateralised lending and reverse repurchase agreements	8,299	256	33,680	17,930	-	60,165	42,235	17,930
Trading assets <sup>3</sup>	22,594	-	-	-	7,135	29,729	29,729	-
Margin money and settlement assets	353	-	-	19,719	-	20,072	353	19,719
Derivative assets	23,936	-	-	-	-	23,936	23,936	-
Financial investments:	-	-	-	-	-	-	-	-
Equity	210	-	-	-	-	210	210	-
Debt <sup>4</sup>	110	-	14,652	2,085	-	16,847	14,762	2,085
Other assets	3,566	-	394	1,543	1,723	7,226	3,960	1,543
Loan assets <sup>4</sup>	768	-	-	180,618	-	181,386	768	180,664
Due from other Macquarie Group entities <sup>5</sup>	2,684	-	-	3,333	280	6,297	2,684	3,333
Property, plant and equipment and right-of-use assets <sup>4</sup>	-	-	-	-	5,989	5,989	-	-
Deferred tax assets	-	-	-	-	1,095	1,095	-	-
<b>Total assets</b>	<b>62,552</b>	<b>256</b>	<b>48,726</b>	<b>247,465</b>	<b>16,222</b>	<b>375,221</b>	<b>118,669</b>	<b>247,511</b>
<b>Liabilities</b>								
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	23,184	-	-	-	-	23,184	23,184	-
Other liabilities <sup>6</sup>	-	3,568	-	2,262	4,064	9,894	3,568	1,500
Due to other Macquarie Group entities <sup>5</sup>	605	-	-	8,318	142	9,065	605	8,318
Issued debt securities and other borrowings <sup>4</sup>	-	1,526	-	84,278	-	85,804	1,526	84,626
Deferred tax liabilities	-	-	-	-	21	21	-	-
Loan capital <sup>4</sup>	-	-	-	12,540	-	12,540	-	12,894
<b>Total liabilities</b>	<b>29,542</b>	<b>5,118</b>	<b>-</b>	<b>313,347</b>	<b>4,227</b>	<b>352,234</b>	<b>34,660</b>	<b>313,298</b>

<sup>1</sup> Comparative information has been represented to conform to the presentation in the current period.

<sup>2</sup> The amount that would be contractually required to be paid at maturity for DFVTPL liabilities for the Consolidated Entity is \$6,768 million (2025: \$5,685 million) compared to the carrying value of \$6,293 million (2025: \$5,118 million) and for the Company is \$6,334 million (2025: \$4,434 million) compared to the carrying value of \$5,857 million (2025: \$3,867 million).

<sup>3</sup> Non-financial assets under 'Trading assets' represent commodities carried at fair value less costs to sell.

<sup>4</sup> Items measured at amortised cost or cost includes, where applicable, fair value hedge accounting adjustments for the designated hedged risk.

<sup>5</sup> Due from other Macquarie Group entities and Due to other Macquarie Group entities includes derivatives and trading positions classified as FVTPL. All other intercompany receivables or payables are carried at amortised cost except for non-financial instruments.

<sup>6</sup> The fair value of other liabilities carried at amortised cost excludes lease liabilities.

## Note 20

### 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 41(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 31 *Fair value of assets and liabilities*.

	FINANCIAL INSTRUMENTS CARRIED AT				Non-Financial Instruments	Statements of financial position total	FAIR VALUE OF ITEMS CARRIED AT	
	FAIR VALUE			Amortised Cost			Fair Value	Amortised Cost
	FVTPL <sup>1</sup>	DFVTPL <sup>2</sup>	FVOCI					
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
<b>COMPANY 2026</b>								
<b>Assets</b>								
Cash and bank balances	448	-	-	15,371	-	15,819	448	15,371
Cash collateralised lending and reverse repurchase agreements	9,548	-	44,646	20,264	-	74,458	54,194	20,264
Trading assets <sup>3</sup>	33,094	-	-	-	4,258	37,352	37,352	-
Margin money and settlement assets	10	-	-	16,310	-	16,320	10	16,310
Derivative assets	37,645	-	-	-	-	37,645	37,645	-
Financial investments:								
Equity	144	-	-	-	-	144	144	-
Debt <sup>4</sup>	220	-	19,660	3,266	-	23,146	19,880	3,266
Other assets	2,585	-	399	1,240	188	4,412	2,984	1,240
Loan assets <sup>4</sup>	673	-	-	219,908	-	220,581	673	219,849
Due from other Macquarie Group entities <sup>5</sup>	2,911	-	-	770	31	3,712	2,911	770
Due from subsidiaries	4,140	-	-	10,805	-	14,945	4,140	10,805
Property, plant and equipment and right-of-use assets <sup>4</sup>	-	-	-	-	2,174	2,174	-	-
Investments in subsidiaries	-	-	-	-	4,192	4,192	-	-
Deferred tax assets	-	-	-	-	653	653	-	-
<b>Total assets</b>	<b>91,418</b>	<b>-</b>	<b>64,705</b>	<b>287,934</b>	<b>11,496</b>	<b>455,553</b>	<b>160,381</b>	<b>287,875</b>
<b>Liabilities</b>								
Deposits	-	-	-	220,385	-	220,385	-	220,359
Cash collateralised borrowing and repurchase agreements	-	1,357	-	4,864	-	6,221	1,357	4,864
Trading liabilities	12,294	-	-	-	-	12,294	12,294	-
Margin money and settlement liabilities	-	-	-	25,019	-	25,019	-	25,019
Derivative liabilities	31,374	-	-	-	-	31,374	31,374	-
Other liabilities <sup>6</sup>	7	3,550	-	1,018	2,730	7,305	3,557	1,015
Due to other Macquarie Group entities <sup>5</sup>	1,481	-	-	11,155	18	12,654	1,481	11,155
Due to subsidiaries	5,530	-	-	15,869	1	21,400	5,530	15,842
Issued debt securities and other borrowings <sup>4</sup>	-	950	-	79,513	-	80,463	950	79,562
Deferred tax liabilities	-	-	-	-	-	-	-	-
Loan capital <sup>4</sup>	-	-	-	14,064	-	14,064	-	14,357
<b>Total liabilities</b>	<b>50,686</b>	<b>5,857</b>	<b>-</b>	<b>371,887</b>	<b>2,749</b>	<b>431,179</b>	<b>56,543</b>	<b>372,173</b>

<sup>1</sup> Comparative information has been represented to conform to the presentation in the current period.

<sup>2</sup> The amount that would be contractually required to be paid at maturity for DFVTPL liabilities for the Consolidated Entity is \$6,768 million (2025: \$5,685 million) compared to the carrying value of \$6,293 million (2025: \$5,118 million) and for the Company is \$6,334 million (2025: \$4,434 million) compared to the carrying value of \$5,857 million (2025: \$3,867 million).

<sup>3</sup> Non-financial assets under 'Trading assets' represent commodities carried at fair value less costs to sell.

<sup>4</sup> Items measured at amortised cost or cost includes, where applicable, fair value hedge accounting adjustments for the designated hedged risk.

<sup>5</sup> Due from other Macquarie Group entities and Due to other Macquarie Group entities includes derivatives and trading positions classified as FVTPL. All other intercompany receivables or payables are carried at amortised cost except for non-financial instruments.

<sup>6</sup> 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 2026 continued

## Note 20

### Measurement categories of financial instruments continued

	FINANCIAL INSTRUMENTS CARRIED AT				Non-Financial Instruments	Statements of financial position total	FAIR VALUE OF ITEMS CARRIED AT	
	FAIR VALUE			Amortised Cost			Fair Value	Amortised Cost
	FVTPL <sup>1</sup>	DFVTPL <sup>2</sup>	FVOCI					
		\$m	\$m	\$m	\$m	\$m	\$m	
<b>COMPANY 2025</b>								
<b>Assets</b>								
Cash and bank balances	32	-	-	20,068	-	20,100	32	20,068
Cash collateralised lending and reverse repurchase agreements	7,797	-	32,221	17,323	-	57,341	40,018	17,323
Trading assets <sup>3</sup>	21,922	-	-	-	6,781	28,703	28,703	-
Margin money and settlement assets	-	-	-	15,973	-	15,973	-	15,973
Derivative assets	21,223	-	-	-	-	21,223	21,223	-
Financial investments:	-	-	-	-	-	-	-	-
Equity	138	-	-	-	-	138	138	-
Debt <sup>4</sup>	109	-	14,567	2,086	-	16,762	14,676	2,086
Other assets	1,941	-	394	1,389	574	4,298	2,335	1,389
Loan assets <sup>4</sup>	619	-	-	178,375	-	178,994	619	177,951
Due from other Macquarie Group entities <sup>5</sup>	2,682	-	-	2,679	37	5,398	2,682	2,679
Due from subsidiaries	2,065	-	-	4,065	-	6,130	2,065	4,069
Property, plant and equipment and right-of-use assets <sup>4</sup>	-	-	-	-	4,213	4,213	-	-
Investments in subsidiaries	-	-	-	-	4,122	4,122	-	-
Deferred tax assets	-	-	-	-	520	520	-	-
<b>Total assets</b>	<b>58,528</b>	<b>-</b>	<b>47,182</b>	<b>241,958</b>	<b>16,247</b>	<b>363,915</b>	<b>112,491</b>	<b>241,538</b>
<b>Liabilities</b>								
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	21,183	-	-	-	-	21,183	21,183	-
Other liabilities <sup>6</sup>	-	2,702	-	1,358	2,198	6,258	2,702	1,358
Due to other Macquarie Group entities <sup>5</sup>	601	-	-	7,822	10	8,433	601	7,820
Due to subsidiaries	1,696	-	-	17,752	5	19,453	1,696	17,836
Issued debt securities and other borrowings <sup>4</sup>	-	1,141	-	65,865	-	67,006	1,141	65,999
Deferred tax liabilities	-	-	-	-	22	22	-	-
Loan capital <sup>4</sup>	-	-	-	12,540	-	12,540	-	12,894
<b>Total liabilities</b>	<b>29,038</b>	<b>3,867</b>	<b>-</b>	<b>306,598</b>	<b>2,235</b>	<b>341,738</b>	<b>32,905</b>	<b>307,175</b>

<sup>1</sup> Comparative information has been represented to conform to the presentation in the current period.

<sup>2</sup> The amount that would be contractually required to be paid at maturity for DFVTPL liabilities for the Consolidated Entity is \$6,768 million (2025: \$5,685 million) compared to the carrying value of \$6,293 million (2025: \$5,118 million) and for the Company is \$6,334 million (2025: \$4,434 million) compared to the carrying value of \$5,857 million (2025: \$3,867 million).

<sup>3</sup> Non-financial assets under 'Trading assets' represent commodities carried at fair value less costs to sell.

<sup>4</sup> Items measured at amortised cost or cost includes, where applicable, fair value hedge accounting adjustments for the designated hedged risk.

<sup>5</sup> Due from other Macquarie Group entities and Due to other Macquarie Group entities includes derivatives and trading positions classified as FVTPL. All other intercompany receivables or payables are carried at amortised cost except for non-financial instruments.

<sup>6</sup> The fair value of other liabilities carried at amortised cost excludes lease liabilities.

## Note 21

### Investment in subsidiaries

	COMPANY	
	2026	2025
	\$m	\$m
Investment at cost with no impairment	4,192	4,076
Investment at cost with impairment	-	75
Less: impairment <sup>1</sup>	-	(29)
Investment with impairment <sup>1</sup>	-	46
<b>Total investment in subsidiaries</b>	<b>4,192</b>	<b>4,122</b>

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

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 the place of incorporation and location of their 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

A complete list of the Company's controlled entities is provided in the Consolidated Entity Disclosure Statement on page 194.

<sup>1</sup> 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 31 *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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 22

### 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 primarily engages with SEs for the following purposes:

Type	Details
<b>Securitisation</b>	<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>
<b>Asset-backed financing</b>	<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>
<b>Structured financing and other arrangements</b>	<p>Includes:</p> <ul style="list-style-type: none"><li>• financing for prepaid commodity contracts. The Consolidated Entity has contractually guaranteed the performance obligation under these arrangements</li><li>• financing through loans and reverse repurchase agreements for short-term term funding requirements of SEs which are sponsored by third parties.</li></ul>
<b>Funds administration activities</b>	<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>

## Note 22

### Structured entities continued

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

	CONSOLIDATED 2026				CONSOLIDATED 2025			
	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
<b>Maximum exposure to loss</b>								
Carrying value of assets:								
Loan assets	1,931	2,581	6,192	10,704	1,247	1,935	5,450	8,632
Financial investments	4,836	27	-	4,863	3,202	-	-	3,202
Reverse repurchase agreements	-	-	5,288	5,288	-	-	4,406	4,406
Trading, derivative and other assets	19	-	-	19	28	-	-	28
<b>Total carrying value of assets<sup>1</sup></b>	<b>6,786</b>	<b>2,608</b>	<b>11,480</b>	<b>20,874</b>	<b>4,477</b>	<b>1,935</b>	<b>9,856</b>	<b>16,268</b>
Undrawn commitments	-	-	-	-	53	54	218	325
<b>Total maximum exposure to loss</b>	<b>6,786</b>	<b>2,608</b>	<b>11,480</b>	<b>20,874</b>	<b>4,530</b>	<b>1,989</b>	<b>10,074</b>	<b>16,593</b>

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 30.1 *Credit risk* and Note 30.3 *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 \$73,819 million (2025: \$86,414 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 value 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 17 *Other assets*.

<sup>1</sup> Includes non-investment grade interests of \$1,569 million (2025: \$427 million) in securitisation activities, \$2,581 million (2025: \$1,935 million) in asset-backed financing activities and \$1,342 million (2025: \$1,106 million) in structured financing and other arrangements.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 23

### Acquisitions and disposals of businesses and subsidiaries

#### Acquisitions of businesses and subsidiaries

There were no material acquisitions during the current and prior financial year.

#### Disposals of businesses and subsidiaries

The Consolidated Entity's disposals include businesses and subsidiaries which formed part of core business operations.

	Total consideration received or receivable (net of transaction costs) \$m	Comprising		
		Net assets \$m	Non-controlling interest \$m	Gain on disposal \$m
				<b>CONSOLIDATED 2026</b>
Disposals of businesses and subsidiaries	<b>2,527</b>	<b>1,509</b>	-	<b>1,018</b>
				<b>CONSOLIDATED 2025</b>
Disposals of businesses and subsidiaries	-	-	-	-

## Note 24

### 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, purchase or sale of securities 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 41 (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.

### 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 21 *Investment in subsidiaries* and a list of all consolidated subsidiaries is set out in *Consolidated entity disclosure statement*.

### Transactions under common control

During the financial year, the Consolidated Entity and the Company entered into following related party transactions under common control:

The Company executed a restructure agreement with Macquarie Financial Limited (MFL) in the Non-Bank Group in prior financial year, to transfer the Equity Derivatives and Trading (EDT) business within the Commodities and Global Markets Operating Group. Under the terms, it was agreed to transfer economic risk, reward and decision-making for each component of the EDT business at the corresponding transfer date. On 23 September 2025, approvals were obtained for MBL and MFL to terminate the transfer. MBL retained the Day 1 consideration of \$59 million and recognised an increase in contributed equity.

The Consolidated Entity sold its equity interest in Macquarie International Finance Limited (MIFL) and certain subsidiaries, including its North American Power, Gas and Emissions business to Macquarie Group Limited for a total cash consideration of \$3,031 million resulting in a gain on disposal of \$2,422 million for the Consolidated Entity and \$3,025 million for the Company. Subsequent to the disposal, amounts due to/from MIFL and its consolidated entities have been presented in due to/from other Macquarie Group entities.

In September 2025, a related Macquarie Group entity made the payment of \$321 million for 100% of the net capital invested on the Shield Master Fund, by those who invested through Macquarie. Correspondingly, there were no balances recognised in the MBL financial report.

The Consolidated Entity and the Company sold its equity interest in certain non-core associates and joint ventures to Macquarie CGM Investments Holdings Pty Ltd (a subsidiary of MFL), for cash consideration of \$474 million and \$181 million respectively resulting in a gain on disposal of \$55 million for the Consolidated Entity and \$34 million for the Company.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 24

### Related party information continued

As part of the external sale of its meter asset provider platform, OnStream, the Company sold certain meter assets to its subsidiaries, Macquarie Meters 3 (UK) Limited and Macquarie Leasing Limited, for cash consideration of \$2,742 million, resulting in a gain of \$1,241 million.

The Consolidated Entity also acquired certain meter assets from the Non-Bank Group (MM6 Limited, a subsidiary of MFL) for cash consideration of \$112 million. Acquisition was accounted for as transaction under common control, and accordingly, net assets were recognised at predecessor carrying value of \$67 million with the difference between the consideration paid and predecessor value being recognised in retained earnings. Refer Note 27.(i)(ii) *Retained earnings* for details.

During the prior year, the Consolidated Entity entered into the following related party transactions under common control:

The Consolidated Entity sold 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.

## Note 24

### Related party information continued

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

	CONSOLIDATED			
	2026		2025	
	Ultimate parent, immediate parent \$'000	Other Macquarie Group entities \$'000	Ultimate parent, immediate parent \$'000	Other Macquarie Group entities \$'000
Interest income	5,446	43,674	3,704	59,397
Interest expense	(11,789)	(422,610)	(15,473)	(407,431)
Fees and commission income	5,168	1,747,381	6,186	1,471,354
Investment income				
Net gain on sale of interests in associates, joint ventures, subsidiaries and businesses	2,422,458	55,056	-	609,693
Other (charges)/income	-	1,189	-	(712)
Fee and commission expenses	-	(91,000)	-	(14,000)
Other operating expenses	-	(2,111)	-	-
Dividend paid	3,550,000	-	2,224,000	-

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

	CONSOLIDATED			
	2026		2025	
	Ultimate parent, immediate parent \$'000	Other Macquarie Group entities \$'000	Ultimate parent, immediate parent \$'000	Other Macquarie Group entities \$'000
<b>On Balance Sheet</b>				
Due from	430,704	4,388,042	546,653	5,750,729
Due to <sup>1</sup>	(377,557)	(14,667,282)	(472,122)	(8,592,743)
<b>Off Balance Sheet</b>				
<b>Undrawn credit commitments:</b>				
Letter of credit and guarantees <sup>2</sup>	(18,200)	(63,555)	(18,200)	(34,598)
<b>Undrawn commitments received</b>	-	118,668	-	-
<b>Guarantees received<sup>1,3</sup></b>	498,986	7,637,952	1,729,847	2,993,617

The above amounts under due from ultimate parent, immediate parent and other Macquarie Group entities are expected to be recovered within 12 months of the balance date by the Consolidated Entity.

<sup>1</sup> 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 and MIFL for which MFL and MIFL has placed cash collateral of \$6,408,483 thousand (2025: \$2,971,445 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.

<sup>2</sup> Balances with other Macquarie Group entities includes guarantees to counterparties with respect to their exposures from these entities. These guarantees have a notional value of \$1,046,491 thousand (2025: \$nil 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 7 *Expected credit losses* and Note 30.1 *Credit risk*.

<sup>3</sup> 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 2026 continued

## Note 24

### 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					
	2026			2025		
	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	5,063	31,139	262,116	3,513	59,416	250,335
Interest expense	(11,766)	(360,260)	(873,234)	(12,426)	(402,535)	(1,155,491)
Fees and commission income	3,746	56,060	429,132	3,073	(39,826)	363,143
Investment income						
Dividend (Note 2)	-	-	517,202	-	-	1,196,270
Net gain on sale of interests in associates, joint ventures, subsidiaries and businesses	3,024,921	32,200	1,241,458	-	-	1,023
Other (charges)/income	-	1,190	(1,207)	-	(576)	15,682
Fee and commission expenses	-	(119,000)	(99,000)	-	(6,000)	(98,000)
Other operating expenses	-	(51,332)	(2,386,589)	-	-	(2,445,033)
Dividend paid	3,550,000	-	-	2,224,000	-	-

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

	COMPANY					
	2026			2025		
	Ultimate parent, immediate parent \$'000	Other Macquarie Group entities \$'000	Subsidiaries \$'000	Ultimate parent, immediate parent \$'000	Other Macquarie Group entities \$'000	Subsidiaries \$'000
<b>On Balance Sheet</b>						
Due from subsidiaries	-	-	14,944,743	-	-	6,130,373
Due to subsidiaries	-	-	(21,400,081)	-	-	(19,452,977)
Due from other Macquarie Group entities	280,828	3,431,298	-	300,315	5,097,353	-
Due to other Macquarie Group Entities <sup>1</sup>	(322,532)	(12,330,978)	-	(339,140)	(8,093,475)	-
<b>Off Balance Sheet</b>						
<b>Undrawn credit commitments:</b>						
Letter of credit and guarantees <sup>2</sup>	(18,200)	(63,043)	(1,656,895)	(18,200)	(1,328)	(1,611,904)
Undrawn commitments	-	-	(1,675)	-	-	(520,792)
<b>Other contingencies and commitments:</b>						
Performance related contingents	-	-	(451)	-	-	(18,724)
Guarantees received <sup>1,2</sup>	-	6,414,605	-	-	2,991,264	3,700,792

The above amounts under due from ultimate parent, immediate parent and other Macquarie Group entities are expected to be recovered within 12 months of the balance date by the Consolidated Entity. Of the amount under due from subsidiaries \$3,510,192 thousand (2025: \$444,038 thousand) are expected to be recovered more than 12 months after the balance date by the Company.

<sup>1</sup> 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 and MIFL, for which MFL and MIFL has placed cash collateral of \$6,408,483 thousand (2025: \$2,971,445 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.

<sup>2</sup> Balances with subsidiaries and other Macquarie Group entities includes guarantees to counterparties with respect to their exposures from these entities. These guarantees have a notional value of \$2,185,589 thousand (2025: \$4,257,523 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 7 *Expected credit losses* and Note 30.1 *Credit risk*

## Note 24

### 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 apart from the net gain from interests in associates and joint ventures, share of net profits from associates and joint ventures, credit and other impairment charges/(reversal), and fair value gain on certain investments held at fair value disclosed in Note 2. *Operating profit before income tax:*

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Net interest income	6,973	12,897	6,284	8,218
Fees and commission income	1,385	5,440	1,385	4,788
Net other operating income	-	2,589	2,350	1,543
Other operating expenses	(3,662)	(2,853)	-	-

Dividends and distributions of \$32,297 thousand (2025: \$13,481 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).

<b>On Balance Sheet</b>				
Amounts receivable	73,498	76,338	73,345	71,525
Amounts payable	(9,035)	(13,273)	(9,035)	(13,273)
<b>Off Balance Sheet</b>				
Guarantees	-	(22,402)	-	(22,402)
Undrawn credit facilities and debt commitment	(72,557)	(70,451)	(72,557)	(70,451)

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 25

### 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 for 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 any 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 certain 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 Macquarie's 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 8.0% 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 and an ADI specific countercyclical capital buffer (CCyB) in the form of CET1 Capital. APRA also requires MBL to hold additional loss-absorbing capacity (LAC) of 4.5% of RWA that may be held in the form of Tier 2 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%.

On 4 December 2025, APRA finalised the consequential amendments to the ADI prudential standards to phase out AT1 instruments as eligible regulatory capital. Large, internationally active banks such as MBL will be permitted to replace the current 1.5% requirement with an additional 0.25% of CET1 Capital and 1.25% of Tier 2 Capital.

The changes will take effect from 1 January 2027, with transitional arrangements applying to existing instruments until 1 January 2032.

At 31 March 2026, the Consolidated Entity's CET1, Tier 1 and Total capital ratios, and Leverage Ratio are above APRA imposed regulatory minimum requirements.

## Note 26

### Contributed equity

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Ordinary share capital	9,879	9,879	9,879	9,879
Other equity	385	313	206	145
<b>Total contributed equity</b>	<b>10,264</b>	<b>10,192</b>	<b>10,085</b>	<b>10,024</b>

	CONSOLIDATED AND COMPANY		2026	2025
	2026	2025		
	Number of shares	Number of shares	\$m	\$m
<b>(i) Ordinary share capital<sup>1</sup></b>				
Opening balance of fully paid ordinary shares				
696,603,664 of shares issued to parent entity (Macquarie B.H. Pty Ltd)	696,603,664	696,603,664	9,879	9,879
<b>Closing balance of fully paid ordinary shares</b>	<b>696,603,664</b>	<b>696,603,664</b>	<b>9,879</b>	<b>9,879</b>

### (ii) Other equity

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
<b>Equity contribution from ultimate parent entity</b>				
Balance at the beginning of the financial year	313	305	145	142
Transaction under common control <sup>2</sup>	59	-	59	-
Change attributable to share-based payment expense including deferred tax <sup>3</sup>	13	8	2	3
<b>Balance at the end of the financial year</b>	<b>385</b>	<b>313</b>	<b>206</b>	<b>145</b>

<sup>1</sup> Ordinary shares have no par value.

<sup>2</sup> Refer to Note 24 *Related party information* for further details.

<sup>3</sup> 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 2026 continued

## Note 27

### Reserves and retained earnings

	CONSOLIDATED		COMPANY	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
<b>(i) Reserves</b>				
<b>Foreign currency translation reserve</b>				
Balance at the beginning of the financial year	1,536	1,197	880	545
Foreign exchange movement on translation and hedge accounting of foreign operations, net of tax	(698)	339	(698)	335
Transferred to income statement on disposal of foreign operations, net of tax	(91)	-	-	-
<b>Balance at the end of the financial year</b>	<b>747</b>	<b>1,536</b>	<b>182</b>	<b>880</b>
<b>FVOCI reserve</b>				
Balance at the beginning of the financial year	(52)	(26)	(46)	(15)
Revaluation movement, net of tax	23	(26)	15	(25)
Changes in ECL allowance, net of tax	2	-	2	(6)
<b>Balance at the end of the financial year</b>	<b>(27)</b>	<b>(52)</b>	<b>(29)</b>	<b>(46)</b>
<b>Cash flow hedge reserve</b>				
Balance at the beginning of the financial year	105	81	113	90
Revaluation movement, net of tax	(38)	74	(43)	77
Transferred to income statement on realisation, net of tax	(49)	(50)	(55)	(54)
<b>Balance at the end of the financial year</b>	<b>18</b>	<b>105</b>	<b>15</b>	<b>113</b>
<b>Cost of hedging reserve</b>				
Balance at the beginning of the financial year	(28)	(59)	(19)	(49)
Revaluation movement, net of tax	8	18	6	17
Transferred to income statement on realisation, net of tax	6	13	-	13
<b>Balance at the end of the financial year</b>	<b>(14)</b>	<b>(28)</b>	<b>(13)</b>	<b>(19)</b>
<b>Share of reserves in associates and joint ventures and other reserves</b>				
Balance at the beginning of the financial year	55	45	-	-
Share of other comprehensive income from associates and joint ventures, net of tax	(11)	10	-	-
Transferred to income statement on realisation, net of tax	(48)	-	-	-
<b>Balance at the end of the financial year</b>	<b>(4)</b>	<b>55</b>	<b>-</b>	<b>-</b>
<b>Total reserves at the end of the financial year</b>	<b>720</b>	<b>1,616</b>	<b>155</b>	<b>928</b>
<b>(ii) Retained earnings</b>				
Balance at the beginning of the financial year	11,179	9,959	11,225	10,348
Profit attributable to the ordinary equity holders of MBL	6,011	3,445	6,460	3,103
Dividends paid on ordinary share capital (Note 28)	(3,550)	(2,224)	(3,550)	(2,224)
Fair value changes attributable to own credit risk on debt classified as DFVTPL, net of tax	1	(2)	-	(2)
Remeasurement of defined benefit plans and others	-	1	(1)	-
Change attributable to transaction under common control <sup>1</sup>	(45)	-	-	-
<b>Balance at the end of the financial year</b>	<b>13,596</b>	<b>11,179</b>	<b>14,134</b>	<b>11,225</b>

<sup>1</sup> Refer to Note 24 Related party information for further details.

## Note 28

### Dividends

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Dividends paid to the parent entity (Macquarie B.H. Pty Ltd)				
on 30 September 2025	650	-	650	-
on 29 August 2025	2,900	-	2,900	-
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
<b>Total dividends paid (Note 27)</b>	<b>3,550</b>	<b>2,224</b>	<b>3,550</b>	<b>2,224</b>

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 29

### 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
<b>Code</b>	MACS	BCN2	BCN3
<b>Issuer</b>	Macquarie Bank Limited	Macquarie Bank Limited	Macquarie Bank Limited
<b>Par value</b>	n/a	\$100	\$100
<b>Currency</b>	USD	AUD	AUD
<b>Carrying value at reporting date</b>	\$USD 750 million/(\$A1,073 million)	\$641 million	\$655 million
<b>Accounting measurement basis</b>	Financial liability at amortised cost	Financial liability at amortised cost	Financial liability at amortised cost
<b>Issue date</b>	8 March 2017	2 June 2020	27 August 2021
<b>Interest rate</b>	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
<b>Interest payment frequency</b>	Semi-annually in arrears	Quarterly in arrears	Quarterly in arrears
<b>Interest payment</b>	Discretionary, non-cumulative	Discretionary, non-cumulative	Discretionary, non-cumulative
<b>Dividend stopper</b>	MBL only	MBL only	MBL only
<b>Outstanding notes at reporting date</b>	— <sup>1</sup>	6.41 million	6.55 million
<b>Maturity</b>	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
<b>Convertible into ordinary shares</b>	Yes	Yes	Yes
<b>Convertible into issuer shares</b>	MGL	MGL	MGL
<b>Mandatory conversion date</b>	n/a	21 December 2028	8 September 2031
<b>Maximum number of shares on conversion</b>	56,947,286	30,532,190	20,316,704
<b>Optional exchange dates</b>	No optional exchange dates	<ul style="list-style-type: none"> <li>21 June 2026</li> <li>21 December 2026</li> </ul> earlier in specified circumstances at the discretion of MGL subject to APRA approval	<ul style="list-style-type: none"> <li>7 September 2028</li> <li>7 March 2029</li> <li>7 September 2029</li> </ul> earlier in specified circumstances at the discretion of MBL subject to APRA approval
<b>Other exchange events</b>	<ul style="list-style-type: none"> <li>acquisition date (where a party acquires control of MBL or MGL)</li> <li>where APRA determines MBL would be non-viable without an exchange or a public sector injection of capital (or equivalent support)</li> <li>where MBL's common equity Tier 1 Capital ratio falls below 5.125%</li> </ul>	<ul style="list-style-type: none"> <li>acquisition date (where a party acquires control of MBL or MGL)</li> <li>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)</li> <li>where MBL's common equity Tier 1 Capital ratio falls below 5.125%</li> </ul>	<ul style="list-style-type: none"> <li>acquisition date (where a party acquires control of MBL or MGL)</li> <li>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)</li> <li>where MBL's common equity Tier 1 Capital ratio falls below 5.125%</li> </ul>
<b>Capital Treatment</b>	Additional Tier 1 capital	Additional Tier 1 capital	Additional Tier 1 capital

<sup>1</sup> As at 31 March 2026, the \$US750 million of MACS were held by an authorised representative for the Depository Trust Company being the common depository for the MACS global security.

## Note 29

### 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 34 *Hedge accounting*). The contractual undiscounted cash flows are disclosed in Note 30.2 *Liquidity risk*.

	CONSOLIDATED		COMPANY	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
Subordinated debt with fixed repayment obligations (Tier 2 loan capital) by contractual maturity dates:				
10 June 2025	-	1,195	-	1,195
28 May 2030	-	750	-	750
3 June 2030	957	1,022	957	1,022
17 June 2031	750	750	750	750
7 June 2032	847	846	847	846
18 January 2033	1,407	1,548	1,407	1,548
1 March 2034	1,239	1,257	1,239	1,257
20 February 2035	1,239	1,250	1,239	1,250
3 March 2036	1,293	1,393	1,293	1,393
29 November 2035	500	-	500	-
29 May 2040	713	-	713	-
13 August 2036	1,434	-	1,434	-
20 August 2036	1,246	-	1,246	-
Instruments with conditional repayment obligations (Tier 1 loan capital):				
MACS	1,073	1,166	1,073	1,166
BCN2	641	641	641	641
BCN3	655	655	655	655
Accrued interest payable as per terms of instruments:				
Less than 12 months	106	98	106	98
	<b>14,100</b>	12,571	<b>14,100</b>	12,571
Less: directly attributable issuance costs	(32)	(31)	(36)	(31)
<b>Total loan capital</b>	<b>14,068</b>	12,540	<b>14,064</b>	12,540
<b>Reconciliation of loan capital by major currency</b>				
<i>(In Australian dollar equivalent):</i>				
United States dollar	6,214	6,386	6,214	6,386
Australian dollar	7,886	6,185	7,886	6,185
	<b>14,100</b>	12,571	<b>14,100</b>	12,571
Less: directly attributable issuance costs	(32)	(31)	(36)	(31)
<b>Total loan capital</b>	<b>14,068</b>	12,540	<b>14,064</b>	12,540

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 30

### Financial risk management

#### Risk Management and Risk Management Group (RMG)

The material risks faced by the Consolidated Entity include asset, conduct, country, credit, environmental and social, equity, financial crime, legal, liquidity, market, model, operational, regulatory and compliance, tax, technology and cyber, artificial intelligence and work health and safety risks.

Details on the Risk Management Framework in the Consolidated Entity can be found in the Risk Management Report of this Annual Report.

#### Note 30.1 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 7 *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.

## Note 30

### Financial risk management continued

#### Note 30.1 Credit risk continued

##### Credit quality of financial assets

The table below discloses, by credit rating grades and ECL impairment stage, the gross carrying amount<sup>1</sup> 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 <sup>2</sup> \$m	Stage II <sup>2</sup> \$m	Stage III <sup>2</sup> \$m	Total \$m
<b>CONSOLIDATED 2026</b>				
<b>Investment grade</b>				
Cash and bank balances	19,015	-	-	19,015
Cash collateralised lending and reverse repurchase agreements	61,887	-	-	61,887
Margin money and settlement assets	16,265	-	-	16,265
Financial investments	23,123	-	-	23,123
Other assets	888	-	-	888
Loan assets	113,384	6,126	-	119,510
Due from other Macquarie Group entities	1,371	-	-	1,371
Undrawn credit commitments	14,403	229	-	14,632
<b>Total investment grade</b>	<b>250,336</b>	<b>6,355</b>	<b>-</b>	<b>256,691</b>
<b>Non-investment grade</b>				
Cash and bank balances	144	-	-	144
Cash collateralised lending and reverse repurchase agreements	5,459	-	-	5,459
Margin money and settlement assets	2,598	-	-	2,598
Financial investments	150	9	-	159
Other assets	1,996	166	-	2,162
Loan assets	83,030	20,486	-	103,516
Due from other Macquarie Group entities	47	-	-	47
Undrawn credit commitments	17,132	565	-	17,697
<b>Total non-investment grade</b>	<b>110,556</b>	<b>21,226</b>	<b>-</b>	<b>131,782</b>
<b>Default</b>				
Other assets	-	-	28	28
Loan assets	-	-	1,627	1,627
Undrawn credit commitments	-	-	38	38
<b>Total default</b>	<b>-</b>	<b>-</b>	<b>1,693</b>	<b>1,693</b>
<b>Total gross credit risk by ECL stage</b>	<b>360,892</b>	<b>27,581</b>	<b>1,693</b>	<b>390,166</b>

Loan assets reported as investment grade (\$119,510 million) and non-investment grade (\$103,516 million) includes \$1,946 million past due up to 30 days and \$438 million past due between 31 and 89 days.

<sup>1</sup> 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.

<sup>2</sup> For definitions of Stage I, II and III, refer to Note 7 *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 2026 continued

## Note 30

### Financial risk management continued

#### Note 30.1 Credit risk continued

The table below discloses, by credit rating grades and ECL impairment stage, the gross carrying amount<sup>1</sup> 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 <sup>2</sup> \$m	Stage II <sup>2</sup> \$m	Stage III <sup>2</sup> \$m	Total \$m
CONSOLIDATED 2025				
<b>Investment grade</b>				
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
<b>Total investment grade</b>	<b>207,981</b>	<b>5,341</b>	<b>-</b>	<b>213,322</b>
<b>Non-investment grade</b>				
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
<b>Total non-investment grade</b>	<b>89,415</b>	<b>18,205</b>	<b>-</b>	<b>107,620</b>
<b>Default</b>				
Margin money and settlement assets	-	-	65	65
Other assets	-	-	33	33
Loan assets	-	-	1,668	1,668
Undrawn credit commitments	-	-	28	28
<b>Total default</b>	<b>-</b>	<b>-</b>	<b>1,794</b>	<b>1,794</b>
<b>Total gross credit risk by ECL stage</b>	<b>297,396</b>	<b>23,546</b>	<b>1,794</b>	<b>322,736</b>

Loan assets reported as 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.

<sup>1</sup> 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.

<sup>2</sup> For definitions of Stage I, II and III, refer to Note 7 *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 30

### Financial risk management continued

#### Note 30.1 Credit risk continued

The table below discloses, by credit rating grades and ECL impairment stage, the gross carrying amount<sup>1</sup> 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 <sup>2</sup> \$m	Stage II <sup>2</sup> \$m	Stage III <sup>2</sup> \$m	Total \$m
<b>COMPANY 2026</b>				
<b>Investment grade</b>				
Cash and bank balances	15,367	-	-	15,367
Cash collateralised lending and reverse repurchase agreements	60,530	-	-	60,530
Margin money and settlement assets	14,484	-	-	14,484
Financial investments	22,912	-	-	22,912
Other assets	352	-	-	352
Loan assets	109,618	6,126	-	115,744
Due from subsidiaries	10,809	-	-	10,809
Due from other Macquarie Group entities	737	-	-	737
Undrawn credit commitments	15,520	230	-	15,750
<b>Total investment grade</b>	<b>250,329</b>	<b>6,356</b>	<b>-</b>	<b>256,685</b>
<b>Non-investment grade</b>				
Cash and bank balances	4	-	-	4
Cash collateralised lending and reverse repurchase agreements	4,385	-	-	4,385
Margin money and settlement assets	1,832	-	-	1,832
Financial investments	150	9	-	159
Other assets	1,157	163	-	1,320
Loan assets	81,364	20,419	-	101,783
Due from other Macquarie Group entities	33	-	-	33
Undrawn credit commitments	16,766	834	-	17,600
<b>Total non-investment grade</b>	<b>105,691</b>	<b>21,425</b>	<b>-</b>	<b>127,116</b>
<b>Default</b>				
Other assets	-	-	21	21
Loan assets	-	-	1,586	1,586
Undrawn credit commitments	-	-	38	38
<b>Total default</b>	<b>-</b>	<b>-</b>	<b>1,645</b>	<b>1,645</b>
<b>Total gross credit risk by ECL stage</b>	<b>356,020</b>	<b>27,781</b>	<b>1,645</b>	<b>385,446</b>

Loan assets reported as investment grade (\$115,744 million) and non-investment grade (\$101,783 million) includes \$1,938 million past due up to 30 days and \$434 million past due between 31 and 89 days.

<sup>1</sup> 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.

<sup>2</sup> For definitions of Stage I, II and III, refer to Note 7 *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 2026 continued

## Note 30

### Financial risk management continued

#### Note 30.1 Credit risk continued

The table below discloses, by credit rating grades and ECL impairment stage, the gross carrying amount<sup>1</sup> 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 <sup>2</sup> \$m	Stage II <sup>2</sup> \$m	Stage III <sup>2</sup> \$m	Total \$m
COMPANY 2025				
<b>Investment grade</b>				
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 subsidiaries	4,069	-	-	4,069
Due from other Macquarie Group entities	2,659	-	-	2,659
Undrawn credit commitments	14,848	218	-	15,066
<b>Total investment grade</b>	<b>204,952</b>	<b>5,341</b>	<b>-</b>	<b>210,293</b>
<b>Non-investment grade</b>				
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
<b>Total non-investment grade</b>	<b>87,254</b>	<b>18,120</b>	<b>-</b>	<b>105,374</b>
<b>Default</b>				
Margin money and settlement assets	-	-	62	62
Other assets	-	-	27	27
Loan assets	-	-	1,624	1,624
Undrawn credit commitments	-	-	28	28
<b>Total default</b>	<b>-</b>	<b>-</b>	<b>1,741</b>	<b>1,741</b>
<b>Total gross credit risk by ECL stage</b>	<b>292,206</b>	<b>23,461</b>	<b>1,741</b>	<b>317,408</b>

Loan assets reported as investment grade (\$92,035 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.

<sup>1</sup> 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.

<sup>2</sup> For definitions of Stage I, II and III, refer to Note 7 *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 30

### Financial risk management continued

#### Note 30.1 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 AASB 9				GROSS EXPOSURE FOR FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENT OF AASB 9			
	Governments	Financial institutions	Retail and other	Total	Governments	Financial institutions	Retail and other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>CONSOLIDATED 2026</b>								
<b>Australia and New Zealand</b>								
Cash and bank balances	-	7,976	-	7,976	-	448	-	448
Cash collateralised lending and reverse repurchase agreements	-	12,755	561	13,316	-	724	-	724
Trading assets	-	-	-	-	737	582	6	1,325
Margin money and settlement assets	3	1,870	167	2,040	-	-	10	10
Derivative assets	-	-	-	-	3	2,317	1,970	4,290
Financial investments	5,284	15,026	155	20,465	-	-	-	-
Other assets	-	108	1,538	1,646	-	127	-	127
Loan assets <sup>1</sup>	27	2,051	200,120	202,198	-	-	55	55
Due from other Macquarie Group entities	-	238	4	242	-	2,552	-	2,552
Undrawn credit commitments	34	643	26,416	27,093	-	-	-	-
<b>Total Australia and New Zealand</b>	<b>5,348</b>	<b>40,667</b>	<b>228,961</b>	<b>274,976</b>	<b>740</b>	<b>6,750</b>	<b>2,041</b>	<b>9,531</b>
<b>Asia</b>								
Cash and bank balances	-	1,723	12	1,735	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	7,420	15	7,435	-	2,388	-	2,388
Trading assets	-	-	-	-	76	91	7	174
Margin money and settlement assets	626	1,295	252	2,173	-	-	-	-
Derivative assets	-	-	-	-	34	1,756	2,563	4,353
Financial investments	-	346	-	346	-	138	14	152
Other assets	1	4	157	162	-	-	446	446
Loan assets	-	301	759	1,060	-	-	-	-
Due from other Macquarie Group entities	-	239	15	254	-	9	1	10
Undrawn credit commitments	-	13	38	51	-	-	-	-
<b>Total Asia</b>	<b>627</b>	<b>11,341</b>	<b>1,248</b>	<b>13,216</b>	<b>110</b>	<b>4,382</b>	<b>3,031</b>	<b>7,523</b>

<sup>1</sup> Loan assets in the Australia and New Zealand includes home loans of \$181,290 million, Corporate, commercial and other lending of \$20,320 million and asset financing of \$643 million.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 30

### Financial risk management continued

#### Note 30.1 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
<b>CONSOLIDATED 2026</b>								
<b>Europe, Middle East and Africa</b>								
Cash and bank balances	-	3,927	-	3,927	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	1,403	22,176	815	24,394	-	1,749	-	1,749
Trading assets	-	-	-	-	-	15	2,995	3,010
Margin money and settlement assets	-	8,067	1,967	10,034	-	-	-	-
Derivative assets	-	-	-	-	16	7,701	11,871	19,588
Financial investments	635	687	10	1,332	-	-	68	68
Other assets	-	455	520	975	-	5	1,202	1,207
Loan assets	-	1,930	9,764	11,694	-	34	489	523
Due from other Macquarie Group entities	-	163	286	449	-	81	70	151
Undrawn credit commitments	28	439	1,655	2,122	-	-	-	-
<b>Total Europe, Middle East and Africa</b>	<b>2,066</b>	<b>37,844</b>	<b>15,017</b>	<b>54,927</b>	<b>16</b>	<b>9,585</b>	<b>16,695</b>	<b>26,296</b>
<b>Americas</b>								
Cash and bank balances	-	5,516	5	5,521	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	21,425	776	22,201	-	5,138	-	5,138
Trading assets	-	-	-	-	4,045	-	637	4,682
Margin money and settlement assets	88	4,304	224	4,616	-	-	30	30
Derivative assets	-	-	-	-	8	11,082	2,927	14,017
Financial investments	-	1,081	58	1,139	-	-	-	-
Other assets	-	47	248	295	-	-	1,682	1,682
Loan assets	-	5,886	3,815	9,701	-	218	27	245
Due from other Macquarie Group entities	-	471	2	473	-	511	15	526
Undrawn credit commitments	29	609	2,463	3,101	-	-	-	-
<b>Total Americas</b>	<b>117</b>	<b>39,339</b>	<b>7,591</b>	<b>47,047</b>	<b>4,053</b>	<b>16,949</b>	<b>5,318</b>	<b>26,320</b>
<b>Total gross credit risk<sup>1</sup></b>	<b>8,158</b>	<b>129,191</b>	<b>252,817</b>	<b>390,166</b>	<b>4,919</b>	<b>37,666</b>	<b>27,085</b>	<b>69,670</b>

<sup>1</sup> 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.

## Note 30

### Financial risk management continued

#### Note 30.1 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								
<b>Australia and New Zealand</b>								
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
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	-	-	-	-
Other assets	-	108	801	909	-	99	-	99
Loan assets <sup>1</sup>	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	-	-	-	-
<b>Total Australia and New Zealand</b>	<b>1,541</b>	<b>42,458</b>	<b>185,310</b>	<b>229,309</b>	<b>956</b>	<b>4,691</b>	<b>1,859</b>	<b>7,506</b>
<b>Asia</b>								
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
Margin money and settlement assets	-	968	207	1,175	-	-	-	-
Derivative assets	-	-	-	-	56	1,438	616	2,110
Financial investments	-	380	-	380	-	105	5	110
Other assets	1	-	150	151	-	-	300	300
Loan assets	-	179	1,131	1,310	-	-	-	-
Due from other Macquarie Group entities	-	237	16	253	-	-	-	-
Undrawn credit commitments	-	4	95	99	-	-	-	-
<b>Total Asia</b>	<b>1</b>	<b>8,359</b>	<b>1,616</b>	<b>9,976</b>	<b>56</b>	<b>2,781</b>	<b>1,798</b>	<b>4,635</b>

<sup>1</sup> 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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 30

### Financial risk management continued

#### Note 30.1 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								
<b>Europe, Middle East and Africa</b>								
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
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	-	-	-	-
Other assets	-	6	707	713	-	4	1,104	1,108
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	-	-	-	-
<b>Total Europe, Middle East and Africa</b>	<b>1,727</b>	<b>28,762</b>	<b>11,180</b>	<b>41,669</b>	<b>61</b>	<b>7,867</b>	<b>7,098</b>	<b>15,026</b>
<b>Americas</b>								
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
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	-	-	-	-
Other assets	1	48	158	207	-	-	2,059	2,059
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	-	-	-	-
<b>Total Americas</b>	<b>90</b>	<b>35,460</b>	<b>6,232</b>	<b>41,782</b>	<b>3,821</b>	<b>11,467</b>	<b>5,205</b>	<b>20,493</b>
<b>Total gross credit risk<sup>1</sup></b>	<b>3,359</b>	<b>115,039</b>	<b>204,338</b>	<b>322,736</b>	<b>4,894</b>	<b>26,806</b>	<b>15,960</b>	<b>47,660</b>

<sup>1</sup> 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.

## Note 30

### Financial risk management continued

#### Note 30.1 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
<b>COMPANY 2026</b>								
<b>Australia and New Zealand</b>								
Cash and bank balances	-	7,962	-	7,962	-	448	-	448
Cash collateralised lending and reverse repurchase agreements	-	12,755	561	13,316	-	723	-	723
Trading assets	-	-	-	-	737	583	6	1,326
Margin money and settlement assets	3	1,863	167	2,033	-	-	10	10
Derivative assets	-	-	-	-	3	2,165	1,970	4,138
Financial investments	5,284	15,026	155	20,465	-	-	-	-
Other assets	-	75	793	868	-	126	-	126
Loan assets <sup>1</sup>	-	2,051	200,117	202,168	-	-	30	30
Due from subsidiaries	-	7,377	1	7,378	-	88	6	94
Due from other Macquarie Group entities	-	187	13	200	-	2,553	-	2,553
Undrawn credit commitments	34	644	26,425	27,103	-	-	-	-
<b>Total Australia and New Zealand</b>	<b>5,321</b>	<b>47,940</b>	<b>228,232</b>	<b>281,493</b>	<b>740</b>	<b>6,686</b>	<b>2,022</b>	<b>9,448</b>
<b>Asia</b>								
Cash and bank balances	-	1,275	-	1,275	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	7,420	15	7,435	-	2,388	-	2,388
Trading assets	-	-	-	-	76	91	4	171
Margin money and settlement assets	626	1,234	201	2,061	-	-	-	-
Derivative assets	-	-	-	-	34	1,750	2,292	4,076
Financial investments	-	346	-	346	-	138	14	152
Other assets	1	4	147	152	-	-	330	330
Loan assets	-	301	614	915	-	-	-	-
Due from subsidiaries	-	54	435	489	-	-	18	18
Due from other Macquarie Group entities	-	174	4	178	-	9	1	10
Undrawn credit commitments	-	10	31	41	-	-	-	-
<b>Total Asia</b>	<b>627</b>	<b>10,818</b>	<b>1,447</b>	<b>12,892</b>	<b>110</b>	<b>4,376</b>	<b>2,659</b>	<b>7,145</b>

<sup>1</sup> Loan assets in the Australia and New Zealand includes home loans of \$181,290 million Corporate, commercial and other lending of \$20,291 million and asset financing of \$616 million.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 30

### Financial risk management continued

#### Note 30.1 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
<b>COMPANY 2026</b>								
<b>Europe, Middle East and Africa</b>								
Cash and bank balances	-	1,235	-	1,235	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	1,403	20,934	568	22,905	-	1,298	-	1,298
Trading assets	-	-	-	-	-	15	2,536	2,551
Margin money and settlement assets	-	7,176	1,809	8,985	-	-	-	-
Derivative assets	-	-	-	-	16	7,516	8,214	15,746
Financial investments	552	576	10	1,138	-	-	68	68
Other assets	-	19	403	422	-	-	923	923
Loan assets	-	1,550	5,474	7,024	-	34	379	413
Due from subsidiaries	-	2,306	1	2,307	-	3,484	-	3,484
Due from other Macquarie Group entities	-	2	232	234	-	35	65	100
Undrawn credit commitments	-	1,789	1,401	3,190	-	-	-	-
<b>Total Europe, Middle East and Africa</b>	<b>1,955</b>	<b>35,587</b>	<b>9,898</b>	<b>47,440</b>	<b>16</b>	<b>12,382</b>	<b>12,185</b>	<b>24,583</b>
<b>Americas</b>								
Cash and bank balances	-	4,899	-	4,899	-	-	-	-
Cash collateralised lending and reverse repurchase agreements	-	21,014	245	21,259	-	5,139	-	5,139
Trading assets	-	-	-	-	3,976	-	354	4,330
Margin money and settlement assets	88	3,129	20	3,237	-	-	-	-
Derivative assets	-	-	-	-	8	10,921	2,756	13,685
Financial investments	-	1,064	58	1,122	-	-	-	-
Other assets	-	47	204	251	-	-	1,206	1,206
Loan assets	-	5,591	3,415	9,006	-	218	12	230
Due from subsidiaries	-	635	-	635	-	544	-	544
Due from other Macquarie Group entities	-	158	-	158	-	233	15	248
Undrawn credit commitments	29	650	2,375	3,054	-	-	-	-
<b>Total Americas</b>	<b>117</b>	<b>37,187</b>	<b>6,317</b>	<b>43,621</b>	<b>3,984</b>	<b>17,055</b>	<b>4,343</b>	<b>25,382</b>
<b>Total gross credit risk<sup>1</sup></b>	<b>8,020</b>	<b>131,532</b>	<b>245,894</b>	<b>385,446</b>	<b>4,850</b>	<b>40,499</b>	<b>21,209</b>	<b>66,558</b>

<sup>1</sup> 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.

## Note 30

### Financial risk management continued

#### Note 30.1 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								
<b>Australia and New Zealand</b>								
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
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	-	-	-	-
Other assets	-	73	786	859	-	98	-	98
Loan assets <sup>1</sup>	-	2,010	161,599	163,609	-	28	14	42
Due from subsidiaries	-	3,241	-	3,241	-	253	-	253
Due from other Macquarie Group entities	-	2,166	-	2,166	-	2,555	1	2,556
Undrawn credit commitments	37	838	22,112	22,987	-	-	-	-
<b>Total Australia and New Zealand</b>	<b>1,511</b>	<b>45,630</b>	<b>184,716</b>	<b>231,857</b>	<b>956</b>	<b>4,796</b>	<b>1,826</b>	<b>7,578</b>
<b>Asia</b>								
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
Margin money and settlement assets	-	903	166	1,069	-	-	-	-
Derivative assets	-	-	-	-	56	1,437	574	2,067
Financial investments	-	380	-	380	-	104	5	109
Other assets	1	-	137	138	-	-	300	300
Loan assets	-	179	797	976	-	-	-	-
Due from subsidiaries	-	68	20	88	-	1	8	9
Due from other Macquarie Group entities	-	147	6	153	-	-	-	-
Undrawn credit commitments	-	1	87	88	-	-	-	-
<b>Total Asia</b>	<b>1</b>	<b>7,900</b>	<b>1,230</b>	<b>9,131</b>	<b>56</b>	<b>2,780</b>	<b>1,770</b>	<b>4,606</b>

<sup>1</sup> 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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 30

### Financial risk management continued

#### Note 30.1 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							
<b>Europe, Middle East and Africa</b>								
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
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	-	-	-	-
Other assets	-	5	657	662	-	-	338	338
Loan assets	-	712	3,802	4,514	-	-	258	258
Due from subsidiaries	-	250	2	252	-	1,212	-	1,212
Due from other Macquarie Group entities	-	136	219	355	-	-	126	126
Undrawn credit commitments	-	927	861	1,788	-	-	-	-
<b>Total Europe, Middle East and Africa</b>	<b>1,625</b>	<b>26,207</b>	<b>9,482</b>	<b>37,314</b>	<b>61</b>	<b>8,372</b>	<b>4,855</b>	<b>13,288</b>
<b>Americas</b>								
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
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	-	-	-	-
Other assets	-	49	112	161	-	1	1,204	1,205
Loan assets	-	5,802	2,908	8,710	-	298	21	319
Due from subsidiaries	-	488	-	488	-	591	-	591
Due from other Macquarie Group entities	-	5	-	5	-	-	-	-
Undrawn credit commitments	40	2,012	1,719	3,771	-	-	-	-
<b>Total Americas</b>	<b>52</b>	<b>33,964</b>	<b>5,090</b>	<b>39,106</b>	<b>3,346</b>	<b>11,539</b>	<b>3,097</b>	<b>17,982</b>
<b>Total gross credit risk<sup>1</sup></b>	<b>3,189</b>	<b>113,701</b>	<b>200,518</b>	<b>317,408</b>	<b>4,419</b>	<b>27,487</b>	<b>11,548</b>	<b>43,454</b>

<sup>1</sup> 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.

## Note 30

### Financial risk management continued

#### Note 30.1 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 20 *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 7 *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 \$82,982 million (2025: \$61,829 million) and the Company is \$79,618 million (2025: \$59,021 million).

For securities borrowed in return for other securities, the fair value of the securities received by the Consolidated Entity is \$18,353 million (2025: \$16,719 million) and by the Company is \$18,353 million (2025: \$16,716 million).

For securities borrowed on an unsecured basis, the fair value of the securities received by the Consolidated Entity is \$6,158 million (2025: \$7,063 million) and the Company is \$5,509 million (2025: \$3,604 million).

Refer to Note 33 *Pledged assets and transfers of 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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 30

### Financial risk management continued

#### Note 30.1 Credit risk continued

##### Loan assets

##### Home loans

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.

Loan-to-Value (LTV)	CONSOLIDATED AND COMPANY	
	2026	2025
	\$m	\$m
<= 25%	5,933	4,922
>25% to 50%	36,181	29,452
>50% to 70%	68,930	55,937
>70% to 80%	67,017	48,206
>80% to 90%	4,622	4,134
>90% to 100%	334	310
Partly collateralised	23	25
<b>Total home loans</b>	<b>183,040</b>	<b>142,986</b>

##### 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 \$38,023 million (2025: \$31,468 million), the credit exposure after considering the estimated value of collateral and credit enhancements is \$3,892 million (2025: \$2,438 million). For the Company, of the term lending of \$33,198 million (2025: \$29,824 million), the credit exposure after the estimated value of collateral and credit enhancements is \$2,863 million (2025: \$1,958 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 \$5,149 million (2025: \$6,932 million), the credit exposure after considering the depreciated value of collateral is \$749 million (2025: \$1,650 million). For the Company, of the asset finance portfolio of \$4,343 million (2025: \$6,184 million), the credit exposure after considering the depreciated value of collateral is \$426 million (2025: \$1,298 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 32 *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. In addition, the Consolidated Entity and the Company use a variety of credit risk mitigation strategies (for example: credit insurance facilities) to manage the large exposures.

Refer Note 33 *Pledged assets and transfers of assets* for non-cash collateral received and repledged as part of derivative margining arrangements.

## Note 30

### Financial risk management continued

#### Note 30.1 Credit risk continued

##### Financial investments

Debt securities held by the Consolidated Entity carrying a credit risk are primarily in nature of bonds, Non-Convertible Debentures (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 \$2,821 million (2025: \$1,890 million) and \$825 million (2025: \$1,816 million) in the Consolidated Entity and \$2,822 million (2025: \$1,905 million) and \$802 million (2025: \$805 million) in the Company, presented in Note 9 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 of \$4,231 million (2025: \$4,345 million) in the Consolidated Entity and \$3,348 million (2025: \$2,724 million) in the Company 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 the Company's certain exposures with its subsidiaries, other Macquarie Group entities and guarantees provided are based on standard terms and are fully or partially collateralised. Refer to Note 24 *Related party information* and Note 32 *Offsetting financial assets and financial liabilities* for details.

##### Credit commitments

Undrawn facilities and lending commitments of \$32,367 million (2025: \$26,846 million) in the Consolidated Entity and \$33,388 million (2025: \$28,634 million) in the Company are secured through collateral and credit enhancement. The remaining credit exposure after considering the estimated value of collateral is \$7,167 million (2025: \$5,687 million) in the Consolidated Entity and \$7,027 million (2025: \$5,655 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.

##### Reposessed 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 30.2 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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 30

### Financial risk management continued

#### Note 30.2 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 a 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.

## Note 30

### Financial risk management continued

#### Note 30.2 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 \$m	0 to 3 months \$m	3 to 12 months \$m	1 to 5 years \$m	More than 5 years \$m	Total \$m
<b>CONSOLIDATED 2026</b>						
Deposits <sup>1</sup>	221,547	212,514	8,983	300	35	221,832
Cash collateralised borrowing and repurchase agreements	6,819	3,886	2,937	-	-	6,823
Trading liabilities <sup>2</sup>	12,294	12,294	-	-	-	12,294
Margin money and settlement liabilities	27,662	27,668	-	-	-	27,668
Derivative liabilities (trading) <sup>2</sup>	35,548	35,548	-	-	-	35,548
Derivative liabilities (hedge accounting relationships) <sup>3</sup>	799	-	-	-	-	-
Contractual amounts payable		487	1,283	3,552	116	5,438
Contractual amounts receivable		(302)	(1,092)	(2,987)	(69)	(4,450)
Other liabilities	5,752	2,187	2,932	494	319	5,932
Issued debt securities and other borrowings <sup>4</sup>	94,599	24,404	38,537	34,360	2,329	99,630
Due to other Macquarie Group entities	14,956	14,029	-	958	-	14,987
Loan capital <sup>5</sup>	14,068	1,321	2,354	9,090	5,709	18,474
<b>Total liabilities<sup>6</sup></b>	<b>434,044</b>	<b>334,036</b>	<b>55,934</b>	<b>45,767</b>	<b>8,439</b>	<b>444,176</b>
<b>Total contingent liabilities and commitments<sup>7</sup></b>		<b>32,814</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>32,846</b>
<b>Total contractual undiscounted cash flows</b>		<b>366,850</b>	<b>55,966</b>	<b>45,767</b>	<b>8,439</b>	<b>477,022</b>

<sup>1</sup> Includes deposits that are contractually at call and are expected to provide a degree of funding stability, subject to regular review.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Includes \$9,853 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.

<sup>5</sup> 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 29 *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.

<sup>6</sup> 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.

<sup>7</sup> Includes undrawn credit commitments and performance related contingencies in 0 to 3 months maturity band to reflect their earliest possible maturity. 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 2026 continued

## Note 30

### Financial risk management continued

#### Note 30.2 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 2025
Deposits <sup>1</sup>	177,671	169,603	7,862	484	-	177,949
Cash collateralised borrowing and repurchase agreements <sup>2</sup>	4,692	1,551	3,235	-	-	4,786
Trading liabilities <sup>3</sup>	5,753	5,771	-	-	-	5,771
Margin money and settlement liabilities	23,610	23,618	-	-	-	23,618
Derivative liabilities (trading) <sup>2</sup>	22,380	22,380	-	-	-	22,380
Derivative liabilities (hedge accounting relationships) <sup>4</sup>	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 <sup>5</sup>	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 <sup>6</sup>	12,540	2,093	1,143	7,519	4,822	15,577
<b>Total liabilities</b>	<b>348,007</b>	<b>251,335</b>	<b>56,427</b>	<b>39,242</b>	<b>9,622</b>	<b>356,626</b>
<b>Total contingent liabilities and commitments<sup>7</sup></b>		<b>27,402</b>	<b>123</b>	<b>-</b>	<b>-</b>	<b>27,525</b>
<b>Total contractual undiscounted cash flows</b>		<b>278,737</b>	<b>56,550</b>	<b>39,242</b>	<b>9,622</b>	<b>384,151</b>

<sup>1</sup> Includes deposits that are contractually at call and are expected to provide a degree of funding stability, subject to regular review.

<sup>2</sup> Included \$9,556 million of RBA Term Funding Facility which was repaid in June 2024.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> Includes \$10,794 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.

<sup>6</sup> 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 29 *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.

<sup>7</sup> Includes undrawn credit commitments and performance related contingencies in 0 to 3 months maturity band to reflect their earliest possible maturity. 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 30

### Financial risk management continued

#### Note 30.2 Liquidity risk continued

	Statements of financial position carrying value \$m	0 to 3 months \$m	3 to 12 months \$m	1 to 5 years \$m	More than 5 years \$m	Total \$m
<b>COMPANY 2026</b>						
Deposits <sup>1</sup>	220,385	211,691	8,637	299	35	220,662
Cash collateralised borrowing and repurchase agreements	6,221	3,472	2,753	-	-	6,225
Trading liabilities <sup>2</sup>	12,294	12,294	-	-	-	12,294
Margin money and settlement liabilities	25,019	25,019	-	-	-	25,019
Derivative liabilities (trading) <sup>2</sup>	30,626	-	-	-	-	-
Derivative liabilities (hedge accounting relationships) <sup>3</sup>	748					
Contractual amounts payable		463	1,183	967	116	2,729
Contractual amounts receivable		(302)	(1,023)	(570)	(69)	(1,964)
Other liabilities	4,575	1,736	2,765	91	3	4,595
Issued debt securities and other borrowings	80,463	23,635	35,868	23,345	689	83,537
Due to subsidiaries	21,399	10,015	2,158	9,202	1,566	22,941
Due to other Macquarie Group entities	12,636	12,630	-	9	-	12,639
Loan capital <sup>4</sup>	14,064	1,284	2,354	9,090	5,709	18,437
<b>Total liabilities<sup>5</sup></b>	<b>428,430</b>	<b>301,937</b>	<b>54,695</b>	<b>42,433</b>	<b>8,049</b>	<b>407,114</b>
<b>Total contingent liabilities and commitments<sup>6</sup></b>		<b>33,821</b>	<b>9</b>	<b>2</b>	<b>-</b>	<b>33,832</b>
<b>Total contractual undiscounted cash flows</b>		<b>335,758</b>	<b>54,704</b>	<b>42,435</b>	<b>8,049</b>	<b>440,946</b>

<sup>1</sup> Includes deposits that are contractually at call. These deposits provide a stable source of long-term funding.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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 29 *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.

<sup>5</sup> 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.

<sup>6</sup> Includes undrawn credit commitments and performance related contingencies in 0 to 3 months maturity band to reflect their earliest possible maturity. 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 2026 continued

## Note 30

### Financial risk management continued

#### Note 30.2 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 <sup>1</sup>	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 <sup>2</sup>	5,558	5,577	-	-	-	5,577
Margin money and settlement liabilities	20,552	20,558	-	-	-	20,558
Derivative liabilities (trading) <sup>2</sup>	20,388	20,388	-	-	-	20,388
Derivative liabilities (hedge accounting relationships) <sup>3</sup>	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 <sup>4</sup>	12,540	2,093	1,143	7,519	4,822	15,577
<b>Total liabilities<sup>5</sup></b>	<b>339,503</b>	<b>249,927</b>	<b>54,068</b>	<b>35,413</b>	<b>7,166</b>	<b>346,574</b>
<b>Total contingent liabilities and commitments<sup>6</sup></b>		<b>29,148</b>	<b>101</b>	<b>-</b>	<b>-</b>	<b>29,249</b>
<b>Total contractual undiscounted cash flows</b>		<b>279,075</b>	<b>54,169</b>	<b>35,413</b>	<b>7,166</b>	<b>375,823</b>

<sup>1</sup> Includes deposits that are contractually at call. These deposits provide a stable source of long-term funding.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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 29 *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.

<sup>5</sup> 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

<sup>6</sup> Includes undrawn credit commitments and performance related contingencies in 0 to 3 months maturity band to reflect their earliest possible maturity. 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 30

### Financial risk management continued

#### Note 30.3 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.

MBL holds regulatory capital for traded and non-traded market risk in accordance with the requirements of APS116 and APS117.

#### 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 by back testing a one-day VaR against hypothetical and actual daily trading profit or loss.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 30

### Financial risk management continued

#### Note 30.3 Market risk continued

##### Traded Market Risk 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.

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.

Traded Value-at-Risk (1 day, 99% confidence level)	2026			2025		
	Average \$m	Maximum \$m	Minimum \$m	Average \$m	Maximum \$m	Minimum \$m
	<b>CONSOLIDATED</b>					
Equities	7.81	13.23	4.45	7.99	11.63	4.02
Interest rates	4.69	6.45	3.15	4.36	6.98	3.08
Foreign exchange	5.61	12.60	1.87	3.72	6.62	1.86
Commodities and commodity contracts	27.25	46.21	17.08	23.79	38.90	17.44
Aggregate	28.62	46.57	16.30	26.51	40.18	19.60
	<b>COMPANY</b>					
Equities	7.85	13.40	4.48	8.02	11.75	4.00
Interest rates	5.32	8.21	2.99	5.11	7.38	4.01
Foreign exchange	6.80	12.05	3.41	4.26	10.51	1.57
Commodities and commodity contracts	20.94	31.39	15.02	17.98	26.01	12.73
Aggregate	23.55	34.02	14.74	21.06	29.28	15.40

#### 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 41(x) *Derivative instruments and hedging activities* and Note 34 *Hedge accounting*.

## Note 30

### Financial risk management continued

#### Note 30.3 Market risk continued

##### 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 is invested in interest bearing assets and is 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.

Non-Traded Value-at-Risk	2026	2025
	\$m	\$m
Economic Value Sensitivity	52	57
Earnings at Risk	344	321

##### 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.

	2026		2025	
	Movement in exchange rates	Sensitivity of other comprehensive income after tax	Movement in exchange rates	Sensitivity of other comprehensive income after tax
	%	\$m	%	\$m
<b>CONSOLIDATED</b>				
United States dollar	+10	(651)	+10	(670)
Pound sterling	+10	(81)	+10	(101)
<b>Total</b>		<b>(732)</b>		<b>(771)</b>
United States dollar	-10	651	-10	670
Pound sterling	-10	81	-10	101
<b>Total</b>		<b>732</b>		<b>771</b>
<b>COMPANY</b>				
United States dollar	+10	(651)	+10	(670)
Pound sterling	+10	(81)	+10	(101)
<b>Total</b>		<b>(732)</b>		<b>(771)</b>
United States dollar	-10	651	-10	670
Pound sterling	-10	81	-10	101
<b>Total</b>		<b>732</b>		<b>771</b>

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 31

### Fair value of assets and liabilities

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

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

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

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

<b>Level 1</b>	unadjusted quoted prices in active markets for identical assets or liabilities.
<b>Level 2</b>	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).
<b>Level 3</b>	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 (as disclosed in Note 20 *Measurement categories of financial instruments*).

<b>Asset or liability</b>	<b>Valuation techniques, inputs and other significant assumptions</b>
<b>Cash and bank balances, Cash collateralised lending and reverse repurchase agreement, Cash collateralised borrowing and repurchase agreement</b>	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.
<b>Loan assets and Deposits</b>	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.
<b>Financial investments</b>	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 is estimated by reference to current market rates offered on similar securities and the creditworthiness of the borrower. The fair values of variable rate debt investments approximate their carrying amounts, subject to any adjustment for changes in credit spreads.
<b>Issued debt securities and other borrowings, and Loan capital</b>	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.
<b>Margin money, settlement assets and settlement liabilities, Other financial assets and financial liabilities</b>	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 31

### 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.

<b>Asset or liability</b>	<b>Valuation techniques, inputs and other significant assumptions</b>
<b>Trading assets, Trading liabilities and Derivatives</b>	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.
<b>Repurchase and reverse repurchase agreements</b>	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.
<b>Financial investments</b>	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.
<b>Loan assets and Issued debt securities and other borrowings</b>	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.
<b>Other financial assets and financial liabilities</b>	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 on page 145 below.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 31

### 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
<b>CONSOLIDATED 2026</b>				
<b>Assets</b>				
Loan assets	-	14,785	210,534	225,319
<b>Total assets</b>	-	14,785	210,534	225,319
<b>Liabilities</b>				
Deposits	171,215	31,621	18,690	221,526
Issued debt securities and other borrowings	697	88,856	4,142	93,695
Loan capital	2,410	11,947	-	14,357
<b>Total liabilities</b>	174,322	132,424	22,832	329,578
<b>CONSOLIDATED 2025</b>				
<b>Assets</b>				
Loan assets	-	8,431	172,233	180,664
<b>Total assets</b>	-	8,431	172,233	180,664
<b>Liabilities</b>				
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
<b>Total liabilities</b>	137,797	113,664	23,741	275,202

The financial assets and liabilities held with other Macquarie Group entities which are measured at amortised cost in the Company as at 31 March 2026 and 31 March 2025 are categorised as Level 3 in the fair value hierarchy.

## Note 31

### 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
<b>COMPANY 2026</b>				
<b>Assets</b>				
Loan assets	-	9,724	210,125	219,849
<b>Total assets</b>	-	9,724	210,125	219,849
<b>Liabilities</b>				
Deposits	171,121	30,548	18,690	220,359
Issued debt securities and other borrowings	697	78,865	-	79,562
Loan capital	2,410	11,947	-	14,357
<b>Total liabilities</b>	174,228	121,360	18,690	314,278
<b>COMPANY 2025</b>				
<b>Assets</b>				
Loan assets	-	6,536	171,415	177,951
<b>Total assets</b>	-	6,536	171,415	177,951
<b>Liabilities</b>				
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
<b>Total liabilities</b>	137,725	99,154	18,064	254,943

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 2026 and 31 March 2025 are categorised as Level 3 in the fair value hierarchy.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 31

### 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
<b>CONSOLIDATED 2026</b>				
<b>Assets</b>				
Cash and bank balances <sup>1</sup>	-	448	-	448
Cash collateralised lending and reverse repurchase agreements	-	56,297	-	56,297
Trading assets	28,411	8,817	930	38,158
Margin money and settlement assets	-	40	-	40
Derivative assets	2	41,806	440	42,248
Financial investments	5,705	14,356	191	20,252
Other assets	-	3,845	17	3,862
Loan assets	-	736	87	823
Due from other Macquarie Group entities	-	3,217	22	3,239
<b>Total assets</b>	<b>34,118</b>	<b>129,562</b>	<b>1,687</b>	<b>165,367</b>
<b>Liabilities</b>				
Cash collateralised borrowing and repurchase agreements	-	1,357	-	1,357
Trading liabilities	12,294	-	-	12,294
Derivative liabilities	12	35,829	506	36,347
Other liabilities	-	3,931	9	3,940
Due to other Macquarie Group entities	-	1,810	11	1,821
Issued debt securities and other borrowings	-	1,003	-	1,003
<b>Total liabilities</b>	<b>12,306</b>	<b>43,930</b>	<b>526</b>	<b>56,762</b>
<b>CONSOLIDATED 2025</b>				
<b>Assets</b>				
Cash and bank balances <sup>1</sup>	-	32	-	32
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
<b>Total assets</b>	<b>19,076</b>	<b>98,158</b>	<b>1,435</b>	<b>118,669</b>
<b>Liabilities</b>				
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
<b>Total liabilities</b>	<b>5,401</b>	<b>28,944</b>	<b>315</b>	<b>34,660</b>

<sup>1</sup> Represents unallocated precious commodities held with financial institutions.

## Note 31

### 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
<b>COMPANY 2026</b>				
<b>Assets</b>				
Cash and bank balances <sup>1</sup>	-	448	-	448
Cash collateralised lending and reverse repurchase agreements	-	54,194	-	54,194
Trading assets	28,411	8,032	909	37,352
Margin money and settlement assets	-	10	-	10
Derivative assets	2	37,384	259	37,645
Financial investments	5,590	14,356	77	20,023
Other assets	-	2,967	17	2,984
Loan assets	-	597	76	673
Due from subsidiaries	-	4,051	89	4,140
Due from other Macquarie Group entities	-	2,911	-	2,911
<b>Total assets</b>	<b>34,003</b>	<b>124,950</b>	<b>1,427</b>	<b>160,380</b>
<b>Liabilities</b>				
Cash collateralised borrowing and repurchase agreements	-	1,357	-	1,357
Trading liabilities	12,294	-	-	12,294
Derivative liabilities	12	31,050	312	31,374
Other liabilities	-	3,548	9	3,557
Due to subsidiaries	-	5,378	152	5,530
Due to other Macquarie Group entities	-	1,481	-	1,481
Issued debt securities and other borrowings	-	951	-	951
<b>Total liabilities</b>	<b>12,306</b>	<b>43,765</b>	<b>473</b>	<b>56,544</b>
<b>COMPANY 2025</b>				
<b>Assets</b>				
Cash and bank balances <sup>1</sup>	-	32	-	32
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
<b>Total assets</b>	<b>18,979</b>	<b>92,257</b>	<b>1,255</b>	<b>112,491</b>
<b>Liabilities</b>				
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
<b>Total liabilities</b>	<b>5,401</b>	<b>27,193</b>	<b>311</b>	<b>32,905</b>

<sup>1</sup> Represents unallocated precious commodities held with financial institutions. Comparative information has been represented to conform to the presentation in the current period.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 31

### 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	Financial investments	Other assets	Loan assets	Derivative financial instruments (net fair values) <sup>1</sup>	Due from/to Macquarie Group entities (net values)	Other liabilities	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>CONSOLIDATED 2025</b>								
<b>Balance as at 1 Apr 2024</b>	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 <sup>2</sup>	12	50	3	-	53	-	-	118
Transfers out of Level 3 <sup>2</sup>	(73)	-	-	-	(15)	-	-	(88)
Fair value movements recognised in the income statement:								
Net trading income/(loss) <sup>3</sup>	-	12	-	1	72	-	-	85
Other income/(loss)	-	(37)	4	-	-	-	-	(33)
Fair value movements recognised in OCI	-	(5)	-	-	-	-	-	(5)
<b>Balance as at 31 March 2025</b>	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 <sup>3</sup>	-	(25)	4	1	72	-	-	52
<b>CONSOLIDATED 2026</b>								
<b>Balance as at 1 Apr 2025</b>	869	211	10	6	30	-	(6)	1,120
Purchases, originations, issuances and other additions	504	115	72	244	175	21	(52)	1,079
Sales, settlements and repayments	(193)	(62)	(45)	(218)	19	(10)	2	(507)
Transfers into Level 3 <sup>2</sup>	26	57	-	-	(58)	-	-	25
Transfers out of Level 3 <sup>2</sup>	(144)	(155)	(10)	-	(126)	-	47	(388)
Fair value movements recognised in the income statement:								
Net trading income/(loss) <sup>3</sup>	(132)	(14)	-	(16)	(106)	-	-	(268)
Other income/(loss)	-	43	(10)	71	-	-	-	104
Fair value movements recognised in OCI	-	(4)	-	-	-	-	-	(4)
<b>Balance as at 31 March 2026</b>	930	191	17	87	(66)	11	(9)	1,161
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 <sup>3</sup>	(121)	30	(8)	55	(172)	-	-	(216)

<sup>1</sup> The derivative financial instruments in the table above are presented on a net basis. On a gross basis, derivative assets are \$440 million (2025: \$339 million) and derivative liabilities are \$506 million (2025: \$309 million).

<sup>2</sup> 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.

<sup>3</sup> 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 31

### 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 \$m	Financial investments \$m	Loan assets \$m	Due from/ to subsidiaries (net values) <sup>1</sup> \$m	Other assets \$m	Derivative financial instruments (net fair values) <sup>2</sup> \$m	Other liabilities \$m	Total \$m
<b>COMPANY 2025</b>								
<b>Balance as at 1 Apr 2024</b>	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 <sup>3</sup>	11	50	-	-	3	9	-	73
Transfers out of Level 3 <sup>3</sup>	(1)	(2)	(1,257)	(128)	-	(18)	-	(1,406)
Fair value movements recognised in the income statement:								
Net trading income/(loss) <sup>4</sup>	-	7	-	-	-	21	-	28
Other income/(loss)	-	(36)	-	-	4	-	-	(32)
Fair value movements recognised in OCI	-	(5)	-	-	-	-	-	(5)
<b>Balance as at 31 March 2025</b>	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 <sup>4</sup>	-	(29)	-	-	4	21	-	(4)
<b>COMPANY 2026</b>								
<b>Balance as at 1 Apr 2025</b>	810	154	-	(8)	6	(12)	(6)	944
Purchases, originations, issuances and other additions	356	117	76	74	69	117	(53)	756
Sales, settlements and repayments	(73)	(52)	-	(167)	(44)	(20)	2	(354)
Transfers into Level 3 <sup>3</sup>	10	57	-	(3)	-	(27)	-	37
Transfers out of Level 3 <sup>3</sup>	(86)	(157)	-	41	(5)	(76)	48	(235)
Fair value movements recognised in the income statement:								
Net trading income/(loss) <sup>4</sup>	(108)	(9)	-	-	-	(35)	-	(152)
Other income/(loss)	-	(29)	-	-	(9)	-	-	(38)
Fair value movements recognised in OCI	-	(4)	-	-	-	-	-	(4)
<b>Balance as at 31 March 2026</b>	909	77	76	(63)	17	(53)	(9)	954
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 <sup>4</sup>	(107)	(38)	-	-	(7)	(35)	-	(187)

<sup>1</sup> The balance Due from/to subsidiaries in the table above is presented on a net basis. On a gross basis, Due from subsidiaries are \$89 million (2025: \$67 million) and Due to subsidiaries are \$152 million (2025: \$75 million).

<sup>2</sup> The derivative financial instruments in the table above are presented on a net basis. On a gross basis, derivative assets are \$259 million (2025: \$218 million) and derivative liabilities are \$312 million (2025: \$230 million).

<sup>3</sup> 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.

<sup>4</sup> 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 2026 continued

## Note 31

### 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.

#### Unrecognised gains or losses on financial assets and liabilities

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	
	2026	2025	2026	2025
	\$m	\$m	\$m	\$m
<b>Balance at the beginning of the period</b>	<b>350</b>	270	<b>85</b>	123
Deferred gain on new transactions and other adjustments	<b>108</b>	225	<b>94</b>	69
Foreign exchange and other movements	<b>(4)</b>	2	<b>(3)</b>	1
Recognised in net trading income during the period <sup>1</sup>	<b>(152)</b>	(147)	<b>(96)</b>	(108)
Recognised under net investment income under common control transaction	<b>(185)</b>	-	-	-
<b>Balance at the end of the period</b>	<b>117</b>	350	<b>80</b>	85

<sup>1</sup> Includes amortisation, subsequent realisation due to unobservable inputs becoming observable, maturity and termination.

## Note 31

### Fair value of assets and liabilities continued

#### Significant unobservable inputs

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

	Assets \$m	Liabilities \$m	Valuation technique(s)	Significant unobservable inputs	RANGE OF INPUTS	
					Minimum value	Maximum value
<b>CONSOLIDATED 2026</b>						
Commodities	1,296	505	Pricing Model	Commodity margin curves	\$(52.59)	\$52.59
			Pricing Model	Correlation	0.0 %	80.0 %
			Pricing Model	Volatility and related variables	23.0 %	113.0 %
Equity and equity-linked products	136	3	Comparable transactions	Price in % <sup>1</sup>		
Interest rate and other products	255	18	Pricing Model	Bond yield	3.5 %	4.1 %
			Pricing Model	Bond price	\$14.00	\$71.50
<b>Total</b>	<b>1,687</b>	<b>526</b>				
<b>CONSOLIDATED 2025</b>						
Commodities	1,078	288	Pricing Model	Commodity margin curves	\$(188.70)	\$2,552.20
			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 % <sup>1</sup>		
Interest rate and other products	190	19	Pricing Model	Bond yield	3.5 %	3.7 %
			Pricing Model	Bond price	\$34.90	\$100.00
<b>Total</b>	<b>1,435</b>	<b>315</b>				

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.

#### 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.

<sup>1</sup> 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 2026 continued

## Note 31

### Fair value of assets and liabilities continued

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

	FAVOURABLE CHANGES	UNFAVOURABLE CHANGES
	Profit or loss \$m	Profit or loss \$m
		<b>CONSOLIDATED 2026</b>
<b>Product type</b>		
Commodities	112	(153)
Interest rate and other products	25	(42)
Equity and equity-linked products	24	(18)
<b>Total</b>	<b>161</b>	<b>(213)</b>
		<b>CONSOLIDATED 2025</b>
<b>Product type</b>		
Commodities	122	(115)
Interest rate and other products	11	(7)
Equity and equity-linked products	19	(19)
<b>Total</b>	<b>152</b>	<b>(141)</b>

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.

	FAVOURABLE CHANGES	UNFAVOURABLE CHANGES
	Profit or loss \$m	Profit or loss \$m
		<b>COMPANY 2026</b>
<b>Product type</b>		
Commodities	67	(69)
Interest rate and other products	24	(41)
Equity and equity-linked products	21	(15)
<b>Total</b>	<b>112</b>	<b>(125)</b>
		<b>COMPANY 2025</b>
<b>Product type</b>		
Commodities	70	(68)
Interest rate and other products	10	(6)
Equity and equity-linked products	16	(16)
<b>Total</b>	<b>96</b>	<b>(90)</b>

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.

## Note 32

### 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 41(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 30.1 *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 <sup>1</sup>	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
<b>CONSOLIDATED 2026</b>							
Cash collateralised lending and reverse repurchase agreements	79,168	(1,829)	77,339	(145)	(69,434)	(7,189)	571
Settlement assets <sup>2</sup>	8,580	(4,934)	3,646	(661)	-	-	2,985
Derivative assets	48,096	(5,848)	42,248	(22,523)	(8,058)	(23)	11,644
Other assets <sup>2</sup>	4,591	(360)	4,231	(170)	(200)	(12)	3,849
Due from other Macquarie Group entities <sup>3</sup>	4,423	(294)	4,129	(1,274)	(1,918)	-	937
<b>Total Assets</b>	<b>144,858</b>	<b>(13,265)</b>	<b>131,593</b>	<b>(24,773)</b>	<b>(79,610)</b>	<b>(7,224)</b>	<b>19,986</b>
Cash collateralised borrowing and repurchase agreements	(8,648)	1,829	(6,819)	145	3,415	717	(2,542)
Settlement liabilities <sup>2</sup>	(11,407)	4,934	(6,473)	1,908	-	-	(4,565)
Derivative liabilities	(42,195)	5,848	(36,347)	21,276	6,497	41	(8,533)
Other liabilities <sup>2</sup>	(4,333)	360	(3,973)	170	-	-	(3,803)
Due to other Macquarie Group entities <sup>3</sup>	(12,941)	294	(12,647)	1,274	141	-	(11,232)
<b>Total Liabilities</b>	<b>(79,524)</b>	<b>13,265</b>	<b>(66,259)</b>	<b>24,773</b>	<b>10,053</b>	<b>758</b>	<b>(30,675)</b>

<sup>1</sup> Gross amounts for assets include \$7,189 million of cash collateralised lending and reverse repurchase agreements, \$2,968 million of settlement assets, \$1,180 million of derivative assets, \$3,241 million of commodity related receivables and \$390 million of Due from other Macquarie Group entities not subject to enforceable netting arrangements. Gross amounts for liabilities include \$718 million of cash collateralised borrowing and repurchase agreements, \$2,935 million of settlements liabilities, \$1,406 million of derivative liabilities, \$3,579 million of commodity related payables and \$6,951 million of Due to other Macquarie Group entities not subject to enforceable netting arrangements.

<sup>2</sup> Settlement assets and liabilities excludes margin money assets and liabilities presented under Note 9 *Margin money and settlement assets* and 14 *Margin money and settlement liabilities* respectively on the statements of financial position. Other assets and liabilities represents commodity related receivables and payables, respectively.

<sup>3</sup> Excludes margin money and non-financial assets of \$690 million and liabilities of \$2,398 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 2026 continued

## Note 32

### 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 <sup>1</sup>	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		
CONSOLIDATED 2025							
Cash collateralised lending and reverse repurchase agreements	61,270	(1,105)	60,165	(15)	(53,255)	(6,255)	640
Settlement assets <sup>2</sup>	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 <sup>2</sup>	5,082	(737)	4,345	(122)	(65)	(11)	4,147
Due from other Macquarie Group entities <sup>3</sup>	6,063	(80)	5,983	(600)	(3,923)	-	1,460
<b>Total Assets</b>	<b>109,504</b>	<b>(11,369)</b>	<b>98,135</b>	<b>(15,020)</b>	<b>(60,529)</b>	<b>(6,497)</b>	<b>16,089</b>
Cash collateralised borrowing and repurchase agreements	(5,797)	1,105	(4,692)	15	1,850	8	(2,819)
Settlement liabilities <sup>2</sup>	(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 <sup>2</sup>	(4,316)	737	(3,579)	122	-	-	(3,457)
Due to other Macquarie Group entities <sup>3</sup>	(6,128)	80	(6,048)	600	265	-	(5,183)
<b>Total Liabilities</b>	<b>(56,488)</b>	<b>11,369</b>	<b>(45,119)</b>	<b>15,019</b>	<b>8,027</b>	<b>16</b>	<b>(22,057)</b>

<sup>1</sup> 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.

<sup>2</sup> Settlement assets and liabilities excludes margin money assets and liabilities presented under Note 9 *Margin money and settlement assets* and Note 14 *Margin money and settlement liabilities* respectively on the statements of financial position. Other assets and liabilities represents commodity related receivables and payables, respectively.

<sup>3</sup> 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 32

### 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 <sup>1</sup>	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		
<b>COMPANY 2026</b>							
Cash collateralised lending and reverse repurchase agreements	75,858	(1,400)	74,458	(145)	(67,100)	(6,657)	556
Settlement assets <sup>2</sup>	8,549	(4,925)	3,624	(629)	-	-	2,995
Derivative assets	43,457	(5,812)	37,645	(20,462)	(7,757)	(22)	9,404
Other assets <sup>2</sup>	3,381	(33)	3,348	(144)	(137)	(12)	3,055
Due from subsidiaries <sup>3</sup>	13,184	(1,051)	12,133	(7,199)	(1)	-	4,933
Due from other Macquarie Group entities <sup>3</sup>	3,773	(279)	3,494	(1,044)	(1,874)	-	576
<b>Total Assets</b>	<b>148,202</b>	<b>(13,500)</b>	<b>134,702</b>	<b>(29,623)</b>	<b>(76,869)</b>	<b>(6,691)</b>	<b>21,519</b>
Cash collateralised borrowing and repurchase agreements	(7,621)	1,400	(6,221)	145	3,002	534	(2,540)
Settlement liabilities <sup>2</sup>	(11,176)	4,925	(6,251)	1,890	-	-	(4,361)
Derivative liabilities	(37,186)	5,812	(31,374)	19,201	6,236	21	(5,916)
Other liabilities <sup>2</sup>	(3,624)	33	(3,591)	144	-	-	(3,447)
Due to subsidiaries <sup>3</sup>	(21,369)	1,051	(20,318)	7,199	1,354	-	(11,765)
Due to other Macquarie Group entities <sup>3</sup>	(10,808)	279	(10,529)	1,044	135	-	(9,350)
<b>Total Liabilities</b>	<b>(91,784)</b>	<b>13,500</b>	<b>(78,284)</b>	<b>29,623</b>	<b>10,727</b>	<b>555</b>	<b>(37,379)</b>

<sup>1</sup> Gross amounts for assets include \$6,657 million of cash collateralised lending and reverse repurchase agreements, \$2,995 million of settlement assets, \$913 million of derivative assets, \$2,618 million of commodity related receivables, \$212 million of Due from other Macquarie Group entities and \$3,923 million of Due from subsidiaries not subject to enforceable netting arrangements. Gross amounts for liabilities include \$535 million of cash collateralised borrowing and repurchase agreements, \$2,727 million of settlements liabilities, \$954 million of derivative liabilities, \$3,223 million of commodity related payables, \$6,833 million of Due to other Macquarie Group entities and \$13,730 million of Due to subsidiaries not subject to enforceable netting arrangements.

<sup>2</sup> Settlement assets and liabilities excludes margin money assets and liabilities presented under Note 9 *Margin money and settlement assets* and Note 14 *Margin money and settlement liabilities* respectively on the statements of financial position. Other assets and liabilities represents commodity related receivables and payables, respectively.

<sup>3</sup> Excludes margin money and non-financial assets of \$2,812 million and liabilities of \$1,082 million presented under Due from subsidiaries and Due to subsidiaries, respectively and margin money and non-financial assets of \$218 million and liabilities of \$2,125 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 2026 continued

## Note 32

### 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 <sup>1</sup>	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 <sup>2</sup>	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 <sup>2</sup>	2,836	(112)	2,724	(32)	(34)	(11)	2,647
Due from subsidiaries <sup>3</sup>	5,722	(272)	5,450	(1,346)	(652)	-	3,452
Due from other Macquarie Group entities <sup>3</sup>	5,431	(74)	5,357	(600)	(3,923)	-	834
<b>Total Assets</b>	<b>104,215</b>	<b>(9,410)</b>	<b>94,805</b>	<b>(15,279)</b>	<b>(58,987)</b>	<b>(5,480)</b>	<b>15,059</b>
Cash collateralised borrowing and repurchase agreements	(5,248)	558	(4,690)	15	1,850	8	(2,817)
Settlement liabilities <sup>2</sup>	(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 <sup>2</sup>	(2,824)	112	(2,712)	32	-	-	(2,680)
Due to subsidiaries <sup>3</sup>	(18,814)	272	(18,542)	1,346	640	-	(16,556)
Due to other Macquarie Group entities <sup>3</sup>	(5,874)	74	(5,800)	600	265	-	(4,935)
<b>Total Liabilities</b>	<b>(69,022)</b>	<b>9,410</b>	<b>(59,612)</b>	<b>15,279</b>	<b>8,461</b>	<b>13</b>	<b>(35,859)</b>

<sup>1</sup> 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 master 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 master netting arrangements.

<sup>2</sup> Settlement assets and liabilities excludes margin money assets and liabilities presented under Note 9 *Margin money and settlement assets* and Note 14 *Margin money and settlement liabilities* respectively on the statements of financial position. Other assets and liabilities represents commodity related receivables and payables, respectively.

<sup>3</sup> Excludes and 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 33

### Pledged assets and transfers of assets

#### Pledged assets

Assets pledged as security for liabilities include the following:

- securities and commodities included under trading assets and off-balance sheet 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 pledged against issued debt and other borrowings
- other types of financial and non-financial assets pledged for issued debt securities, borrowings or other liabilities
- 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 9 *Margin money and settlement assets* for further details.

The table below represents assets that have been pledged as security for liabilities.

	CONSOLIDATED		COMPANY	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
<b>On Balance Sheet assets</b>				
Loan assets <sup>1</sup>	15,453	16,062	15,316	15,875
Trading assets	10,621	6,216	10,558	5,923
Other assets	1,035	669	171	108
Financial investments	158	-	509	-
<b>Total On Balance Sheet assets pledged for liabilities</b>	<b>27,267</b>	<b>22,947</b>	<b>26,554</b>	<b>21,906</b>
<b>Off Balance Sheet assets</b>				
Securities and commodities <sup>2,3</sup>	34,383	26,436	29,750	25,644
<b>Total On and Off Balance Sheet assets pledge for liabilities</b>	<b>61,650</b>	<b>49,383</b>	<b>56,304</b>	<b>47,550</b>

<sup>1</sup> Includes \$15,262 million (2025: \$15,831 million) held by Consolidated SEs, which are available as security to holders of notes issued by the consolidated securitisation vehicles.

<sup>2</sup> Represents fair value of securities and commodities repledged out of the total non-cash collaterals of \$111,403 million (2025: \$91,010 million) received by the Consolidated Entity. Total non-cash collateral received includes \$107,492 million (2025: \$85,611 million) as part of Cash collateralised lending and reverse repurchase agreements, \$3,911 million (2025: \$3,295 million) as part of derivative margining arrangements, \$nil (2025: \$2,104 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 30.1 *Credit risk - Collateral and credit enhancements held* and Note 24 *Related party information* for further details.

<sup>3</sup> Represents fair value of securities and commodities repledged out of the total non-cash collaterals of \$106,005 million (2025: \$86,168 million) received by the Company. Total non-cash collateral received includes \$103,480 million (2025: \$79,341 million) as part of Cash collateralised lending and reverse repurchase agreements, \$2,525 million (2025: \$1,940 million) as part of derivative margining arrangements, \$nil (2025: \$2,104 million) as part of Cash collateralised lending and reverse repurchase agreements with Other Macquarie Group entities and \$nil (2025: \$2,783 million) from a subsidiary as part of a guarantee arrangement. Refer to *Cash collateralised lending and reverse repurchase agreements and Derivative instruments* under Note 30.1 *Credit risk - Collateral and credit enhancements held* and Note 24 *Related party information* for further details.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 33

### Pledged assets and transfers of assets continued

#### Transfers of 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 41(vii) *Financial instruments*, 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.

#### Continuing involvement in 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 securitisation interests. For the financial years ended 31 March 2026 and 31 March 2025, there were no material transfers of financial assets where the Consolidated Entity has had continuing involvement.

#### Transferred assets that are not derecognised

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 and commodities 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.

#### Asset backed funding arrangements

Financial Assets (principally home loans and finance lease receivables) are packaged and securities issued to investors. Structured Entities (SE) used to achieve this purpose are consolidated where, based on an assessment of their purpose and design, the Consolidated Entity is determined to have control.

If the Consolidated Entity sells financial assets to consolidated SEs, the transfer is, in substance, a transfer from the Consolidated Entity (which includes the consolidated SEs) to external investors. This transfer is effected through the Consolidated Entity assuming an obligation to pass through the cash flows generated by the underlying securitised assets to investors. The relationship between the transferred assets and the associated liabilities is such that holders of the notes have recourse only to the cash flows generated by the securitised assets for payment of principal and interest due under their notes, notwithstanding that the contractual terms of the notes may differ from the maturity and interest characteristics of the transferred assets.

#### Other continuing involvement arrangement

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.

## Note 33

### Pledged assets and transfers of assets continued

The following table provides a summary of assets that have been transferred in such a way that part or all of the transferred 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	
<b>CONSOLIDATED 2026</b>					
Assets transferred as part of asset backed funding arrangements:					
Loan assets <sup>1</sup>	11,281	(9,853)	11,279	(9,850)	1,429
Assets transferred as part of repurchase and securities lending agreements:					
Trading assets <sup>2</sup>	9,652	(830)	-	-	-
Financial investments	158	(141)	-	-	-
Assets transferred under various other continuing involvement arrangement:					
Trading assets	583	-	-	-	-
Loan assets	191	(191)	191	(191)	-
<b>Total assets not derecognised</b>	<b>21,865</b>	<b>(11,015)</b>	<b>11,470</b>	<b>(10,041)</b>	<b>1,429</b>
<b>CONSOLIDATED 2025</b>					
Assets transferred as part of asset backed funding arrangements:					
Loan assets <sup>1</sup>	12,544	(10,749)	12,537	(10,942)	1,595
Assets transferred as part of repurchase and securities lending agreements:					
Trading assets <sup>2</sup>	3,827	(398)	-	-	-
Assets transferred under various other continuing involvement arrangement:					
Trading assets	1,815	-	-	-	-
Loan assets	232	(232)	232	(232)	-
<b>Total assets not derecognised</b>	<b>18,418</b>	<b>(11,379)</b>	<b>12,769</b>	<b>(11,174)</b>	<b>1,595</b>

<sup>1</sup> Carrying amount of associated liabilities represents the notes issued by Structured Entities and held by external investors.

<sup>2</sup> Includes \$8,858 million (2025: \$3,421 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 re-pledge the entire value of securities received.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 33

### Pledged assets and transfers of assets continued

The following table provides a summary of assets that have been transferred in such a way that part or all of the transferred 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		
			Fair value of transferred assets \$m	Fair value of associated liabilities \$m	Net fair value \$m
<b>COMPANY 2026</b>					
Assets transferred as part of asset backed funding arrangements:					
Loan assets <sup>1,2</sup>	15,262	(11,988)	15,259	(11,961)	3,298
Assets transferred as part of repurchase and securities lending agreements:					
Trading assets <sup>3</sup>	9,652	(830)	-	-	-
Financial investments	509	(491)	-	-	-
Assets transferred under various other continuing involvement arrangement:					
Trading assets	583	-	-	-	-
Loan assets	53	(53)	53	(53)	-
<b>Total assets not derecognised</b>	<b>26,059</b>	<b>(13,362)</b>	<b>15,312</b>	<b>(12,014)</b>	<b>3,298</b>
<b>COMPANY 2025</b>					
Assets transferred as part of asset backed funding arrangements:					
Loan assets <sup>1,2</sup>	15,831	(11,720)	15,824	(11,904)	3,920
Assets transferred as part of repurchase and securities lending agreements:					
Trading assets <sup>3</sup>	3,825	(398)	-	-	-
Assets transferred under various other continuing involvement arrangement:					
Trading assets	1,815	-	-	-	-
Loan assets	45	(45)	45	(45)	-
<b>Total assets not derecognised</b>	<b>21,516</b>	<b>(12,163)</b>	<b>15,869</b>	<b>(11,949)</b>	<b>3,920</b>

<sup>1</sup> Carrying amount of associated liabilities represents the obligation recognised towards Structured Entities presented under Due to subsidiaries.

<sup>2</sup> Excludes \$65,674 million (2025: \$51,471 million) of securitised assets where the Company holds all of the instruments issued by the Structured Entities.

<sup>3</sup> Includes \$8,858 million (2025: \$3,418 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.

## Note 34

### Hedge accounting

#### Hedging strategy

The use of derivative and non-derivative instruments to economically hedge 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 is shown in the respective sections. Furthermore, 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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 34

### 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 27(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 \$55 million gain (2025: \$nil) for the Consolidated Entity and \$1 million gain (2025: \$nil) 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
<b>CONSOLIDATED 2026</b>						
<b>Derivative assets</b>						
Cross currency swaps	Foreign exchange	-	-	2,533	-	2,533
Interest rate swaps	Interest rate	209	1,509	900	-	2,618
<b>Derivative liabilities</b>						
Cross currency swaps	Foreign exchange	-	-	963	67	1,030
Interest rate swaps	Interest rate	3,774	10,361	1,315	-	15,450
<b>Borrowings</b>						
Foreign currency denominated borrowings	Foreign exchange	68	-	-	-	68
<b>CONSOLIDATED 2025</b>						
<b>Derivative assets</b>						
Cross currency swaps	Foreign exchange	32	95	2,661	462	3,250
Interest rate swaps	Interest rate	2,979	7,322	3,001	574	13,876
<b>Derivative liabilities</b>						
Cross currency swaps	Foreign exchange	-	-	-	73	73
Interest rate swaps	Interest rate	1	2,186	1,294	17	3,498
<b>Borrowings</b>						
Foreign currency denominated borrowings	Foreign exchange	70	125	-	-	195
<b>CONSOLIDATED CARRYING AMOUNT</b>						
Instrument type	Risk category	2026		2025		
		Asset \$m	Liability \$m	Asset \$m	Liability \$m	
Cross currency swaps	Foreign exchange	196	17	411	1	
Interest rate swaps <sup>1</sup>	Interest rate	40	62	162	10	
Foreign currency denominated borrowings	Foreign exchange	-	6	-	42	

<sup>1</sup> The carrying amounts of hedging instrument under derivative includes amount of \$43 million (2025: \$8 million) which are disclosed in the Consolidated Entity's Statement of financial position as 'Due from/to other Macquarie Group entities'.

## Note 34

### 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
<b>COMPANY 2026</b>						
<b>Derivative assets</b>						
Cross currency swaps	Foreign exchange	-	-	565	-	565
Interest rate swaps	Interest rate	209	1,509	900	-	2,618
<b>Derivative liabilities</b>						
Cross currency swaps	Foreign exchange	-	-	-	67	67
Interest rate swaps	Interest rate	3,774	10,361	1,315	-	15,450
<b>COMPANY 2025</b>						
<b>Derivative assets</b>						
Cross currency swaps	Foreign exchange	32	94	758	462	1,346
Interest rate swaps	Interest rate	2,979	7,322	3,001	574	13,876
<b>Derivative liabilities</b>						
Cross currency swaps	Foreign exchange	-	-	-	73	73
Interest rate swaps	Interest rate	1	2,186	1,294	17	3,498
		COMPANY CARRYING AMOUNT				
Instrument type	Risk category	2026		2025		
		Asset \$m	Liability \$m	Asset \$m	Liability \$m	
Cross currency swaps	Foreign exchange	67	7	212	1	
Interest rate swaps <sup>1</sup>	Interest rate	40	62	162	10	

<sup>1</sup> The carrying amounts of hedging instrument under derivative includes amount of \$43 million (2025: \$8 million) which are disclosed in the Consolidated Entity's Statement of financial position as 'Due from/to other Macquarie Group entities'.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 34

### 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)	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m	2026 \$m	2025 \$m
<b>CONSOLIDATED</b>							
Cross currency swaps	Foreign exchange	1	3	(1)	(3)	-	-
Interest rate swaps	Interest rate	(117)	19	103	(31)	(14)	(12)
Foreign currency denominated borrowings	Foreign exchange	6	1	(6)	(1)	-	-
<b>Total</b>		<b>(110)</b>	<b>23</b>	<b>96</b>	<b>(35)</b>	<b>(14)</b>	<b>(12)</b>
<b>COMPANY</b>							
Cross currency swaps	Foreign exchange	(5)	3	5	(3)	-	-
Interest rate swaps	Interest rate	(116)	19	103	(31)	(13)	(12)
<b>Total</b>		<b>(121)</b>	<b>22</b>	<b>108</b>	<b>(34)</b>	<b>(13)</b>	<b>(12)</b>

#### 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	
		2026	2025	2026	2025
Cross currency swaps	AUD/EUR	0.61-0.68	0.61-0.68	0.68	0.68
	USD/GBP	-	0.66	-	0.66
	AUD/NOK	-	-	-	-
Interest rate swaps and options	AUD	0.56%-4.43%	0.56%-5.96%	0.56%-4.43%	0.56%-5.96%
	GBP	-	0.97%-4.65%	-	0.97%-4.65%

## Note 34

### 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 30.3 *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 may be 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 41 (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	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m
<b>CONSOLIDATED</b>					
Foreign exchange contracts and other foreign currency denominated balance sheet items <sup>1</sup>	Foreign exchange	140	94	92	96
Issued debt securities and other borrowings	Foreign exchange	-	-	12,709	12,557
<b>COMPANY</b>					
Foreign exchange contracts and other foreign currency denominated balance sheet items <sup>1</sup>	Foreign exchange	46	24	62	88
Issued debt securities and other borrowings	Foreign exchange	-	-	6,536	6,352
Hedging instrument	Risk category	NOTIONAL AMOUNT			
		ASSET		LIABILITY	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m
<b>CONSOLIDATED</b>					
Foreign exchange contracts and other foreign currency denominated balance sheet items <sup>1</sup>	Foreign exchange	4,506	1,787	2,329	3,329
Issued debt securities and other borrowings	Foreign exchange	-	-	12,736	12,677
<b>COMPANY</b>					
Foreign exchange contracts and other foreign currency denominated balance sheet items <sup>1</sup>	Foreign exchange	2,912	707	1,712	2,883
Issued debt securities and other borrowings	Foreign exchange	-	-	6,600	6,477

<sup>1</sup> 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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 34

### Hedge accounting continued

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 \$19,571 million (2025: \$17,793 million) and Company of \$11,224 million (2025: \$10,067 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 \$12,674 million (2025: \$12,658 million) and \$6,602 million (2025: \$6,548 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 (2025: \$nil).

### 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

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
<b>CONSOLIDATED 2026</b>						
<b>Derivative assets</b>						
Interest rate swaps	Interest rate	2,269	3,737	5,392	1,369	12,767
Basis swaps	Interest rate	-	1,173	-	-	1,173
Commodity derivatives	Commodity price	-	83	59	-	142
Foreign exchange swaps	Foreign exchange	-	128	-	-	128
<b>Derivative liabilities</b>						
Basis swaps	interest rate	-	-	3,853	-	3,853
Cross currency swaps	Interest rate	-	-	2,932	67	2,999
Interest rate swaps	Interest rate	935	3,540	5,695	4,072	14,242
Commodity derivatives	Commodity price	-	638	28	-	666
Foreign exchange swaps	Foreign exchange	-	259	-	-	259
<b>CONSOLIDATED 2025</b>						
<b>Derivative assets</b>						
Interest rate swaps	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 swaps	Foreign exchange	20	164	192	-	376
<b>Derivative liabilities</b>						
Cross currency swaps	Interest rate	-	-	1,903	73	1,976
Interest rate swaps	Interest rate	734	6,864	4,142	5,185	16,925
Commodity derivatives	Commodity price	73	435	581	-	1,089
Foreign exchange swaps	Foreign exchange	53	271	389	-	713

## Note 34

### Hedge accounting continued

		CONSOLIDATED CARRYING AMOUNT			
		2026		2025	
Instrument type	Risk category	Asset \$m	Liability \$m	Asset \$m	Liability \$m
Cross currency swaps	Interest rate	-	27	-	9
Interest rate swaps	Interest rate	264	461	243	558
Basis swaps	Interest rate	-	24	6	-
Commodity derivatives	Commodity price	20	169	-	111
Foreign exchange swaps	Foreign exchange	9	3	19	24

		MATURITY ANALYSIS PER NOTIONAL				
		Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Instrument type	Risk category	\$m	\$m	\$m	\$m	\$m
<b>COMPANY 2026</b>						
<b>Derivative assets</b>						
Interest rate swaps	Interest rate	2,269	3,737	5,392	1,369	12,767
Basis swaps	Interest rate	-	1,173	-	-	1,173
Commodity derivatives	Commodity price	-	83	59	-	142
Foreign exchange swaps	Foreign exchange	-	128	-	-	128
<b>Derivative liabilities</b>						
Basis swaps	interest rate	-	-	3,853	-	3,853
Cross currency swaps	Interest rate	-	-	-	67	67
Interest rate swaps	Interest rate	935	3,540	5,695	4,072	14,242
Commodity derivatives	Commodity price	-	638	28	-	666
Foreign exchange swaps	Foreign exchange	-	259	-	-	259
<b>COMPANY 2025</b>						
<b>Derivative assets</b>						
Interest rate swaps	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 swaps	Foreign exchange	20	164	192	-	376
<b>Derivative liabilities</b>						
Cross currency swaps	Interest rate	-	-	-	73	73
Interest rate swaps	Interest rate	734	6,888	4,034	5,185	16,841
Commodity derivatives	Commodity price	73	435	581	-	1,089
Foreign exchange swaps	Foreign exchange	53	271	388	-	712

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 \$2,181 million (2025: \$2,301 million). These balances change periodically, which result in periodic rebalancing of the hedge designations.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 34

### Hedge accounting continued

Instrument type	Risk category	COMPANY CARRYING AMOUNT			
		2026		2025	
		Asset \$m	Liability \$m	Asset \$m	Liability \$m
Cross currency swaps	Interest rate	-	4	-	4
Interest rate swaps	Interest rate	264	461	249	557
Basis swaps	Interest rate	-	24	6	-
Commodity derivatives	Commodity price	20	169	-	111
Foreign exchange swaps	Foreign exchange	9	3	19	24
Foreign currency denominated borrowings	Foreign exchange	-	2,181	-	2,301

### 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 \$4 million gain (2025: \$9 million loss) for the Consolidated Entity and \$4 million gain for the Company (2025: \$9 million loss) 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.

	2026			2025		
	Gross amount	Fair value hedge adjustment	Carrying amount <sup>1</sup>	Gross amount	Fair value hedge adjustment	Carrying amount <sup>1</sup>
	\$m	\$m	\$m	\$m	\$m	\$m
<b>CONSOLIDATED</b>						
<b>Assets</b>						
Financial investments <sup>2</sup>	2,482	-	2,482	2,414	-	2,414
Loan assets	2,009	(8)	2,001	3,164	11	3,175
Trading assets	416	-	416	-	-	-
Property, plant and equipment	265	93	358	794	23	817
<b>Liabilities</b>						
Issued debt securities	20,292	(103)	20,189	21,630	(35)	21,595
Loan capital	8,631	(431)	8,200	7,754	(473)	7,281
Bank borrowings	-	-	-	798	1	799
<b>COMPANY</b>						
<b>Assets</b>						
Financial investments <sup>2</sup>	2,485	-	2,485	2,419	-	2,419
Loan assets	2,009	(8)	2,001	3,054	2	3,056
Trading assets	416	-	416	-	-	-
Property, plant and equipment	265	93	358	794	23	817
Investments in subsidiaries	2,029	112	2,141	1,963	249	2,212
Other assets	35	4	39	85	4	89
<b>Liabilities</b>						
Issued debt securities	17,361	(61)	17,300	19,770	(39)	19,731
Loan capital	8,631	(431)	8,200	7,754	(473)	7,281
Bank borrowings	-	-	-	798	1	799

<sup>1</sup> The carrying amounts in the table above exclude accrued interest and include fair value hedge adjustments.

<sup>2</sup> 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.

## Note 34

### 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)	
		2026 \$m	2025 \$m	2026 \$m	2025 \$m	2026 \$m	2025 \$m
<b>CONSOLIDATED</b>							
Cross currency swaps	Interest rate	(43)	22	43	(22)	-	-
Interest rate swaps	Interest rate	95	329	(111)	(337)	(16)	(8)
Basis swaps	Interest rate	-	1	-	(1)	-	-
Commodity derivatives	Commodity price	(65)	(128)	65	128	-	-
Foreign exchange swaps	Foreign exchange	(4)	38	4	(38)	-	-
<b>Total</b>		<b>(17)</b>	<b>262</b>	<b>1</b>	<b>(270)</b>	<b>(16)</b>	<b>(8)</b>
<b>COMPANY</b>							
Cross currency swaps	Interest rate	-	3	-	(3)	-	-
Interest rate swaps	Interest rate	90	325	(107)	(327)	(17)	(2)
Basis swaps	Interest rate	-	1	-	(1)	-	-
Commodity derivatives	Commodity price	(65)	(128)	65	128	-	-
Foreign exchange swaps	Foreign exchange	(4)	38	4	(38)	-	-
Foreign currency denominated borrowings	Foreign exchange	74	(101)	(74)	101	-	-
<b>Total</b>		<b>95</b>	<b>138</b>	<b>(112)</b>	<b>(140)</b>	<b>(17)</b>	<b>(2)</b>

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 35

### Key management personnel disclosure

#### Key management personnel (KMP)

The following persons were Directors of the Company during the financial years ended 31 March 2026 and 31 March 2025, unless indicated otherwise.

#### Executive Voting Directors

Stuart D Green                      Managing Director and CEO of MBL  
Shemara R Wikramanayake      Managing Director and CEO of MGL

#### Non-Executive Directors

Glenn R Stevens AC              Chair  
Jillian R Broadbent AC  
Wayne S Byres  
Philip M Coffey  
Michelle A Hinchliffe  
Susan J Lloyd-Hurwitz AM  
Rebecca J McGrath AM  
Mike Roche  
Ian M Saines  
David J.K. Whiteing

#### Former Non-Executive Directors

Michael J Coleman                (ceased to be a member of the MBL Board on 26 July 2024)

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 2026 and 31 March 2025, unless indicated otherwise.

#### Current Executives<sup>1</sup>

Evie N Bruce                      GGC and Head of LGG  
Andrew F Cassidy                CRO and Head of RMG  
Frank P Kwok                      CFO and Head of FPE (appointed effective 1 January 2026)  
Nicole G Sorbara                 COO and Head of COG  
Greg C Ward                        Head of BFS  
Simon L Wright                  Head of CGM

#### Former Executive Director

Alex H Harvey                      Former CFO and Head of FPE (ceased to be a member of the Executive Committee on 31 December 2025)

The remuneration arrangements for all of the persons listed above are described on pages 38 to 53 of the Remuneration Report, contained in the Directors' Report.

<sup>1</sup> Except where indicated otherwise, all of the Executives as well as the CEO were members of the Executive Committee as at 8 May 2026.

## Note 35

### Key management personnel disclosure continued

#### Key management personnel remuneration

The following table details the aggregate remuneration for KMP.

	SHORT-TERM EMPLOYEE BENEFITS			LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS			Total remuneration <sup>6,7</sup>
	Salary and fees (including superannuation) <sup>1</sup>	Performance related remuneration <sup>2</sup>	Other benefits	Total short-term employee benefits	Restricted profit share including other long-term employee benefits <sup>3</sup>	Equity awards <sup>4</sup>	PSUs <sup>5</sup>	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Executive Remunerations</b>								
2026 <sup>8</sup>	6,495,580	28,698,541	-	35,194,121	4,527,955	29,817,560	3,473,728	73,013,364
2025	6,781,160	26,605,625	-	33,386,785	4,829,195	27,047,181	6,691,755	71,954,916
<b>Non-Executive Remunerations</b>								
2026	2,954,000	-	-	2,954,000	-	-	-	2,954,000
2025	3,027,095	-	-	3,027,095	-	-	-	3,027,095

#### 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 <sup>10</sup>	Interest charged	Repayments during the year <sup>11</sup>	Write-downs	Closing balance as at 31 Mar <sup>12</sup>
Total for KMP and their related parties <sup>9</sup>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2026	18,402	7,707	523	(15,034)	-	11,598
2025 <sup>13</sup>	13,469	12,836	580	(8,483)	-	18,402

<sup>1</sup> Includes salary, superannuation, long service leave accrual and other benefits.

<sup>2</sup> The cash portion of each KMP's profit share allocation for the reporting period when they were a KMP.

<sup>3</sup> Comprised of:

a) The portion of current year retained profit share that is held as a notional investment in Macquarie-managed fund equity (DPS Plan).

b) Earnings on prior years' restricted profit share: represents notional returns/(losses) on profit share amounts retained under the DPS Plan that are notionally invested in Macquarie-managed funds (Executive KMP are 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 TSR; where there is a notional loss, this loss will be offset against any future notional income until the loss is completely offset (losses are reported as negative amounts in this column). As these earnings reflect the investment performance of the assets in which prior years' retained amounts have been notionally invested, their inclusion may cause distortions when year-on-year remuneration trends are examined. These figures do not reflect remuneration review decisions made about the individual's current year performance.

<sup>4</sup> The current year expense for equity awards calculated as described in Note 41(xxii) *Performance based remuneration* and Note 36 *Employee equity participation*.

<sup>5</sup> The current year amortisation for PSUs calculated as described in Note 41(xxii) *Performance based remuneration* and Note 36 *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.

<sup>6</sup> Mr Harvey ceased to be a member of the Executive Committee on 31 December 2025. He remains currently employed by Macquarie but intends to retire during FY2027. As a result of his intention to retire, the amortisation of his equity awards is being recognised over an accelerated period. \$A1.8 million of his FY2026 statutory remuneration represents accelerated amortisation of his equity awards, with further accounting amortisation being recognised of \$A1.9 million in FY2026 and \$A1.9 million in FY2027.

<sup>7</sup> Mr Kwok was appointed to the Executive Committee on 1 January 2026.

<sup>8</sup> For further detail on the impact of changes to KMP composition and forfeitures during the period refer to pages 50 and 51 of the Remuneration Report.

<sup>9</sup> 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 or allowances for doubtful debts.

<sup>10</sup> Or loan held as at date of appointment of new KMP.

<sup>11</sup> Or loan held as at date ceased to be a KMP.

<sup>12</sup> The aggregate balance included loans to 6 persons (31 March 2025: 7 persons).

<sup>13</sup> In FY2026 Macquarie performed a review of KMP disclosures and noted the omission of a loan account for a related party of Mr Wright from the 2025 Remuneration Report. The 2025 numbers have been re-presented to reflect this. The loan was originated prior to Mr Wright's appointment to the Executive Committee on 1 April 2024.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 36

### 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	
	2026	2025
RSUs on issue at the beginning of the financial year	7,610,131	7,747,401
Granted during the financial year	1,616,980	1,722,720
Vested RSUs withdrawn or sold from the MEREP during the financial year	(2,151,787)	(1,793,638)
Forfeited during the financial year	(173,038)	(84,566)
Net transfers (to)/from other Macquarie Group entities <sup>1</sup>	(1,467,465)	18,214
<b>RSUs on issue at the end of the financial year</b>	<b>5,434,821</b>	<b>7,610,131</b>
<b>RSUs vested and not withdrawn from the MEREP at the end of the financial year</b>	<b>1,813</b>	<b>228</b>

The weighted average fair value of the RSU awards granted during the financial year was \$213.02 (2025: \$198.30).

##### 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	
	2026	2025
DSUs on issue at the beginning of the financial year	2,050,265	1,752,522
Granted during the financial year	464,267	858,491
Forfeited during the financial year	(9,903)	(28,960)
Exercised during the financial year	(450,649)	(540,500)
Net transfers (to)/from other Macquarie Group entities <sup>1</sup>	(215,261)	8,712
<b>DSUs on issue at the end of the financial year</b>	<b>1,838,719</b>	<b>2,050,265</b>
<b>DSUs exercisable at the end of the financial year</b>	<b>573,976</b>	<b>595,235</b>

The weighted average fair value of the DSU awards granted during the financial year was \$200.88 (2025: \$186.09).

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

## Note 36

### 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	
	2026	2025
PSUs on issue at the beginning of the financial year	401,838	423,158
Granted during the financial year	81,420	99,141
Exercised during the financial year	(31,589)	(49,388)
Expired during the year	(45,469)	(71,073)
Forfeited during the financial year	-	-
<b>PSUs on issue at the end of the financial year</b>	<b>406,200</b>	<b>401,838</b>
<b>PSUs exercisable at the end of the financial year</b>	<b>-</b>	<b>-</b>

The weighted average fair value of the PSU awards granted during the financial year was \$182.88 (2025: \$179.87).

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)
- 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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 36

### Employee equity participation continued

#### Award types under the MEREP continued

Vesting periods are as follows:

Award type	Level	Vesting
<b>Retained Profit Share Awards and Promotion Awards</b>	Below Executive Director	1/3 <sup>rd</sup> in the 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> year following the year of grant <sup>1</sup>
<b>Retained DPS Awards granted in relation to years 2017 to 2023</b>	Executive Committee members and Designated Executive Directors	1/5 <sup>th</sup> in the 3 <sup>rd</sup> , 4 <sup>th</sup> , 5 <sup>th</sup> , 6 <sup>th</sup> and 7 <sup>th</sup> year following the year of grant <sup>2</sup>
<b>Retained DPS Awards granted in relation to years 2017 to 2023</b>	All other Executive Directors	1/3 <sup>rd</sup> in the 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> year following the year of grant <sup>2</sup>
<b>Retained DPS Awards granted in relation to 2024 and following years</b>	Executive Committee members and other Executive Directors	1/3 <sup>rd</sup> in the 3 <sup>rd</sup> , 4 <sup>th</sup> and 5 <sup>th</sup> year following the year of grant <sup>2</sup>
<b>PSU Awards granted in relation to 2020 and following years</b>	Executive Committee members (excluding MGL CEO and MBL CEO)	100% in the 4 <sup>th</sup> year following the year of grant <sup>3</sup>
<b>PSU Awards granted in relation to years 2020 to 2023</b>	MGL CEO and MBL CEO	100% in the 4 <sup>th</sup> year following the year of grant <sup>3</sup>
<b>PSU Awards granted in relation to 2024 and following years</b>	MGL CEO and MBL CEO	100% in the 5 <sup>th</sup> year following the year of grant <sup>3</sup>
<b>Commission Awards</b>	Below Executive Director	1/3 <sup>rd</sup> in the 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> year following the year of grant <sup>1</sup>
<b>New Hire Awards</b>	All Director-level staff	1/3 <sup>rd</sup> in the 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> year following the year of grant <sup>4</sup>

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 FY2025 retention, the allocation price was the weighted average price of the shares acquired for the 2025 purchase period, which was 19 May 2025 to 19 June 2025. That price was calculated to be \$209.72 (2024 retention: \$191.54).

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Subject to achieving certain performance hurdles.

<sup>4</sup> Vesting will occur during an eligible staff trading window.

## Note 36

### Employee equity participation continued

#### Performance Share Units (PSUs)

PSUs will only be released or become exercisable subject to pre-vest assessment<sup>1</sup> 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. <sup>2</sup>

#### 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, regulatory compliance, 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 non-financial performance, it will consider whether an adjustment is appropriate, considering any mitigating and aggravating factors.

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

<sup>2</sup> 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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 36

### 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 value<sup>1</sup> 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 FY2025 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: 3.27% per annum (3.53% for grants to the CEO and the MBL CEO)
- expected vesting dates of PSUs: 1 July 2029 (1 July 2030 for the CEO and the MBL CEO)
- dividend yield: 3.61% per annum.

While RSUs, DSUs and PSUs (for Executive Committee members) for FY2026 will be granted during FY2027, the Company begins recognising an expense for these awards (based on an initial estimate) from 1 April 2025 related to these future grants. The expense is estimated using the estimated MEREP retention for FY2026 and applying the vesting profile to the retained amount.

For PSU, the estimate also incorporates an interest rate to maturity of 4.86% per annum (4.89% for grants to the MGL CEO and the MBL CEO), expected vesting date of 1 July 2030 (1 July 2031 for the MGL CEO and the MBL CEO), and a dividend yield of 3.50% 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 2026, compensation expense relating to the MEREP totalled \$493,083 thousand (2025: \$478,339 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 2025. A total of 2,195 (2025: 2,555) staff participated in this offer.

On 3 December 2025, the participants were each allocated 5 (2025: 4) fully paid ordinary shares based on the offer amount of \$1,000 and the average market share price of \$197.12 (2025: \$233.37), resulting in a total of 10,975 (2025: 10,220) 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 2026, compensation expense relating to the ESP totalled \$2,166 thousand (2025: \$2,367 thousand).

### Other plans

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

<sup>1</sup> 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.

## Note 37

### Contingent liabilities and commitments

	CONSOLIDATED		COMPANY	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
<b>Undrawn credit commitments</b>				
Undrawn credit facilities and debt commitments <sup>1</sup>	29,335	23,986	28,724	24,264
Letters of credit and guarantees	3,032	2,861	4,664	4,370
<b>Total undrawn credit commitments</b>	<b>32,367</b>	26,847	<b>33,388</b>	28,634
<b>Other contingencies and commitments</b>				
Performance-related contingencies	453	546	442	510
Asset development and purchase commitments	26	133	2	105
<b>Total other contingencies and commitments</b>	<b>479</b>	679	<b>444</b>	615
<b>Total contingent liabilities and commitments</b>	<b>32,846</b>	27,526	<b>33,832</b>	29,249

<sup>1</sup> 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 \$20,469 million (2025: \$16,874 million) which are considered to be exposed to credit risk.

# Notes to the financial statements

For the financial year ended 31 March 2026 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	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Audit of the Group and controlled entities:				
PwC – Australia	19,888	20,509	18,896	18,658
Network firms of PwC Australia	5,216	5,721	490	493
<b>Total audit services</b>	<b>25,104</b>	<b>26,230</b>	<b>19,386</b>	<b>19,151</b>
Audit-related services: <sup>1</sup>				
PwC – Australia	9,334	7,248	6,646	5,912
Network firms of PwC Australia	97	301	5	118
<b>Total audit-related services</b>	<b>9,431</b>	<b>7,549</b>	<b>6,651</b>	<b>6,030</b>
<b>Total audit and audit-related services</b>	<b>34,535</b>	<b>33,779</b>	<b>26,037</b>	<b>25,181</b>
Other services:				
PwC – Australia	1,006	1,143	513	304
Network firms of PwC Australia	-	386	-	144
<b>Total other non-audit services</b>	<b>1,006</b>	<b>1,529</b>	<b>513</b>	<b>448</b>
<b>Total remuneration paid to PwC for audit, audit-related and other non-audit services</b>	<b>35,541</b>	<b>35,308</b>	<b>26,550</b>	<b>25,629</b>

Use of PwC's services for engagements other than audit is restricted in accordance with the Consolidated Entity's *Audit and Assurance Independence Policy*.

<sup>1</sup> 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

### 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	
	2026 \$m	2025 \$m	2026 \$m	2025 \$m
Cash and bank balances <sup>1,2</sup>	12,930	16,398	9,467	14,484
Cash collateralised lending and reverse repurchase agreements	46,214	33,332	44,646	32,221
Financial investments	1,419	1,563	1,419	1,563
<b>Cash and cash equivalents at the end of the financial year</b>	<b>60,563</b>	<b>51,293</b>	<b>55,532</b>	<b>48,268</b>

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

Profit after income tax	6,011	3,445	6,460	3,103
Adjustments to profit after income tax:				
Depreciation and amortisation	586	708	250	334
Credit and other impairment (reversal)/charges	358	151	246	57
Investment and other income	(3,657)	(638)	(4,344)	(14)
Share of net profits of associates and joint ventures	(56)	(39)	-	-
Changes in assets and liabilities:				
Issued debt securities, borrowings and other funding	13,632	986	17,870	2,122
Liquid asset holdings	(4,837)	2,701	(5,342)	2,614
Trading and related assets, and collateralised lending balances, including balances with Macquarie Group entities (net of liabilities)	(10,020)	(3,236)	(7,785)	(4,450)
Deposits	44,273	29,169	44,640	29,493
Debtors, prepayments, accrued charges and creditors	708	704	541	317
Tax balances	670	349	718	491
Interest, fee and commission receivable and payable	(115)	(38)	(220)	45
Assets under operating lease	(213)	(489)	(108)	(278)
Other assets and liabilities	(171)	(34)	(157)	377
Carrying value of associates due to dividends received	35	15	-	-
Loan assets, receivables and related balances with Macquarie Group entities	(37,142)	(29,119)	(47,186)	(26,730)
<b>Net cash flows generated from operating activities</b>	<b>10,062</b>	<b>4,635</b>	<b>5,583</b>	<b>7,481</b>

#### (iii) Reconciliation of loan capital

Balance at the beginning of the financial year	12,540	10,825	12,540	10,825
Cash flows:				
Issuance	3,996	1,246	3,996	1,246
Redemption	(1,884)	-	(1,884)	-
Non-cash changes:				
Foreign currency translation and other movements	(584)	469	(588)	469
<b>Balance at the end of the financial year</b>	<b>14,068</b>	<b>12,540</b>	<b>14,064</b>	<b>12,540</b>

<sup>1</sup> Amounts excluded from cash and cash equivalents but presented in the Statements of financial position as Cash and bank balances primarily relates to \$6,174 million (2025: \$5,823 million) in the Consolidated Entity and \$5,849 million (2025: \$5,573 million) in the Company of funds received from clients which are segregated from the own funds and other balances of \$503 million (2025: \$48 million) for the Consolidated Entity and \$503 million (2025: \$43 million) for the Company, not readily available to meet the Consolidated Entity's and Company's short-term cash commitments.

<sup>2</sup> Includes \$1,014 million (2025: \$879 million) in the Consolidated Entity and \$574 million (2025: \$543 million) in the Company of balances held by consolidated SEs that are restricted for use by the Consolidated Entity, balances 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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 40

### Events after the reporting date

There were no material events subsequent to 31 March 2026 and up until the authorisation of the financial statements for issue, that have not been disclosed elsewhere in this Financial Report.

## Note 41

### 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 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. Management also considers the entity's purpose and design. If Management determines that the Consolidated Entity has power, Management then evaluates whether the Consolidated Entity is exposed, or has rights, to variable returns from its involvement with the entity.

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.

The Consolidated Entity controls an entity if it has the ability to use its power to affect the entity's returns from its involvement with the entity, taking into consideration the magnitude and variability associated with its variable returns.

In certain instances, Management may determine that the Consolidated Entity 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.

The determination of control is based on current facts and circumstances and is continuously assessed.

##### 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 22 *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.

Non-controlling interests (NCI) in the results and equity of subsidiaries are presented 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.

Management determines the dates of obtaining control and losing control 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.

##### 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.

Management 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.

## Note 41

### Material accounting policies continued

#### (i) Principles of consolidation continued

##### Interests in associates and joint ventures

The equity method of accounting is applied in the consolidated Financial Report and requires the recognition of the associate or joint venture at cost and adjusted thereafter to recognise 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 investment 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 Management 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 net investment income. The Consolidated Entity accounts for amounts recognised in OCI in relation to the associate or joint venture disposed of, on the same basis as would be required if the associate or joint venture had directly disposed of the related assets or liabilities.

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 net investment income.

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 net investment income. 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.

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 net investment income. A proportionate amount of associated OCI is reclassified to profit or loss, or reclassified within equity, on the same basis as would be required if the associate or joint venture had directly disposed of the related assets or liabilities.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 41

### Material accounting policies continued

#### (ii) Business combinations

Distinguishing between whether assets or a business is acquired involves judgement. Management 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, Management 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. Management 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 as a gain from bargain purchase in net investment income, 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 net investment income.

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.

#### Transactions 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 predecessor 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 predecessor 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 predecessor value of the assets and liabilities acquired as a restructure reserve in equity, generally in retained earnings.

Where the Consolidated Entity acquires, as part of a common control transaction, an investee that meets the definition of an investment in associate or joint venture, the Consolidated Entity will recognise the acquired investment at its predecessor value. The Consolidated Entity accounts for the difference between the consideration paid and the predecessor value 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
- 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.

## Note 41

### Material accounting policies continued

#### (iii) Foreign currency translation continued

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 34 *Hedge accounting* and Note 41(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 net investment income
- 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 net 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 expected credit losses through the expected life of the financial instrument to the net carrying amount of the financial asset at initial recognition.

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 stock lending fees

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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 41

### 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 Investment income

Net 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 net investment income. Refer to Note 41(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, in net investment income 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 net investment income 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 components of the Consolidated Entity included in internal reports that are regularly reviewed by Senior Management who have been identified as the Chief Operating Decision Makers (CODM), for purposes of allocating resources and assessing performance. Information reported to CODM 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 tax domicile 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.

Deferred tax assets and deferred tax liabilities that arise following the implementation of the Pillar Two Model Rules legislation are not recognised in the financial statements in accordance with the mandatory exception to the Accounting Standards.

## Note 41

### Material accounting policies continued

#### (vi) Taxation continued

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.

Management 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. Management 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.

#### (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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 41

### Material accounting policies continued

#### (vii) Financial instruments continued

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 transfers nor retains 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*.

##### 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 replacement agreement terms are substantially different or existing terms are substantially modified, both qualitative and quantitative factors are 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.

## Note 41

### Material accounting policies continued

#### (vii) Financial instruments continued

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 as part of interest and similar income. 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 financial asset is held and the characteristics of the financial asset's contractual cash flows.

##### Business model assessment

Management 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, Management 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.

#### 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, and
- the financial asset has not been classified as DFVTPL.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 41

### Material accounting policies continued

#### (vii) Financial instruments continued

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 net 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 in net investment income.

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 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 net investment income
- 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

Financial liabilities are subsequently measured at amortised cost, unless they are either HFT, or have been designated to be measured at FVTPL (DFVTPL). A financial liability may be DFVTPL if:

- such a designation eliminates or significantly reduces an accounting mismatch that would otherwise have arisen
- a group of financial liabilities, or financial assets and financial liabilities, is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
- the liability contains embedded derivatives which must otherwise be separated and carried at fair value

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 41(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.

#### (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.

Management 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.

## Note 41

### Material accounting policies continued

#### (viii) Cash collateral on securities borrowed and lent and repurchase and reverse repurchase agreements continued

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 the 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 20 *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 or other assets 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 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 41(vii) *Financial instruments*.

Trading assets (long positions) comprise financial instruments such as debt and equity securities, bank bills, treasury notes, 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 Management 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, Management 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 41(vii) *Financial instruments*), it derecognises the trading asset or liability and recognises a trade receivable or trade payable from trade date until settlement date.

#### (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 41(vii) *Financial instruments*.

The Consolidated Entity applies trade date accounting to the recognition and derecognition of derivative financial instruments.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 41

### Material accounting policies continued

#### (x) Derivative instruments and hedging activities continued

##### 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.

## Note 41

### Material accounting policies continued

#### (x) Derivative instruments and hedging activities continued

	Fair value hedge	Cash flow hedge	Net investment hedge
<b>Nature of hedge</b>	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.
<b>Nature of material hedged risks</b>	<ul style="list-style-type: none"> <li>Interest rate risk</li> <li>Commodity price risk</li> <li>Foreign exchange risk.<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Interest rate risk</li> <li>Foreign exchange risk.</li> </ul>	<ul style="list-style-type: none"> <li>Foreign exchange risk.</li> </ul>
<b>Material hedged items</b>	<ul style="list-style-type: none"> <li>Fixed interest rate financial assets and liabilities</li> <li>Trading assets</li> <li>Property, Plant and Equipment</li> <li>Investment in subsidiaries.<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Floating interest rate financial assets or liabilities</li> <li>Highly probable forecast floating interest rate financial liabilities</li> <li>Highly probable forecast foreign currency payments and receipts</li> <li>Foreign currency denominated interest bearing financial liabilities.</li> </ul>	<ul style="list-style-type: none"> <li>Net investment in foreign operations.</li> </ul>
<b>Material hedging instruments</b>	<ul style="list-style-type: none"> <li>Interest rate swaps</li> <li>Basis swaps</li> <li>Cross currency swaps</li> <li>Commodity derivatives</li> <li>Foreign exchange forwards</li> <li>Foreign currency denominated borrowings.<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Interest rate swaps</li> <li>Cross currency swaps</li> <li>Foreign currency denominated borrowings.</li> </ul>	<ul style="list-style-type: none"> <li>Foreign exchange contracts</li> <li>Foreign currency denominated issued debt.</li> </ul>
<b>Designation and documentation</b>	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.		
<b>Hedge effectiveness method</b>	<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"> <li>an economic relationship exists between the hedged item and the hedging instrument</li> <li>credit risk does not dominate the changes in value of either the hedged item or the hedging instrument</li> <li>the hedge ratio is reflective of the Consolidated Entity's risk management approach.</li> </ul> <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>		
<b>Accounting treatment for the hedging instrument</b>	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.
<b>Accounting treatment for the hedged item</b>	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.

<sup>1</sup> 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).

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 41

### Material accounting policies continued

#### (x) Derivative instruments and hedging activities continued

	Fair value hedge	Cash flow hedge	Net investment hedge
<b>Accounting treatment for hedge ineffectiveness</b>	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.	
<b>Accounting treatment if the hedge relationship is discontinued</b>	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"><li>• if the hedge is discontinued due to a disposal of the hedged foreign operation, then the accumulated NIHR is reclassified from OCI to net investment income</li><li>• 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 net investment income</li><li>• 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.</li></ul>
<b>Other accounting policies</b>	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.		

## Note 41

### 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 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 41(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 41(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 41(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%
Furniture, fittings and leasehold improvements <sup>1</sup>	10 to 20%
Equipment	33%
Meters	5 to 10%
Telecommunications	24%
Equipment and other operating lease assets	15 to 23%

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.

<sup>1</sup> Where lease terms are less than five years, leasehold improvements are depreciated over the remaining lease term.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 41

### Material accounting policies continued

#### (xv) Other identifiable intangible assets

##### Other acquired identifiable intangible assets

At the time at which Management determines that the Consolidated Entity has acquired a business, Management 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 41 (vii) *Financial Instruments*.

Management, 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. Management 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 item 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.

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.

## Note 41

### Material accounting policies continued

#### (xvii) Other assets and liabilities continued

##### 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 7 *Expected Credit Loss*.

Contingent liabilities and commitments are disclosed in Note 37 *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 41(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 41(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 41(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.

#### (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 less directly attributable transaction costs and is subsequently measured at amortised cost.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 41

### Material accounting policies continued

#### (xx) Loan capital continued

For compound instruments that have both equity and liability features, the liability component is initially measured at fair value less 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, undrawn credit 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 7 *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. Management exercises judgement in determining whether there has been a SICR since initial recognition based on qualitative, quantitative, and reasonable and supportable information. Detail on the Consolidated Entity's process to determine whether there has been a SICR is provided in Note 7 *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, Management 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:

- All in-scope assets including 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
- All in-scope assets including 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, certain letters of credit and financial guarantees issued (not measured at FVTPL) – as a provision included in other liabilities.

When Management 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

Management performs an assessment at each reporting date to determine whether there is any objective evidence that the Consolidated Entity's 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, Management 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.

## Note 41

### Material accounting policies continued

#### (xxi) Impairment continued

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 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 36 *Employee equity participation*.

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 24 *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.

# Notes to the financial statements

For the financial year ended 31 March 2026 continued

## Note 41

### Material accounting policies continued

#### (xxii) Performance based remuneration continued

##### 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, Management 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 41(xiv) *Property, plant and equipment and right-of-use assets*) and a corresponding lease 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 19) and lease liabilities in Other liabilities (refer to Note 18) 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.

##### 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 41(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.

##### Sub-leasing

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.

## Note 41

### Material accounting policies continued

#### (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, including the re-presentation of *Net investment income*, which was previously included within *Net other operating income and charges*.

#### (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.

### 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.

In circumstances where the jurisdiction of a foreign tax resident has been reported as N/A, the Consolidated Entity has determined these entities as flow-through entities for the purposes of the tax law of the jurisdiction where they were formed or incorporated.

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
Gatesun Pty. Limited	Body Corporate	Australia	100%	Australian	N/A
Henderson WA Pty Limited	Body Corporate, Trustee	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 Global Finance Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Macquarie Group Services Australia Pty Ltd	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 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
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

Entity Name	Entity Type	Body Corporate		Tax Residency	
		Place Formed or Incorporated	% of Share Capital held	Australian or foreign resident	Jurisdiction for foreign resident
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 2021-1P Trust	Trust	N/A	N/A	Australian	N/A
PUMA Series 2021-2 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 2026-1 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 (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 Commodities Canada Corporation	Body Corporate	Canada	100%	Foreign	Canada
Macquarie Funding Holdings 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 Verwaltungen 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	0%	Foreign	India
Macquarie Global Services Private Limited	Body Corporate	India	100%	Foreign	India
MQG Commodities (India) Private Limited	Body Corporate	India	0%	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 Asset Finance Mauritius Ltd	Body Corporate	Mauritius	100%	Foreign	Mauritius
Macquarie Servicios Electricos de Mexico S. de R.L de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
Macquarie Fundo de Investimento Financeiro Multimercado	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

# 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
Macquarie (Asia) Pte Ltd.	Body Corporate	Singapore	0%	Foreign	Singapore
Macquarie Commodities And Global Markets (Singapore) Pte. Limited	Body Corporate	Singapore	0%	Foreign	Singapore
Macquarie Futures (Singapore) Pte. Limited	Body Corporate	Singapore	0%	Foreign	Singapore
Macquarie Group Services (Singapore) Pte. Limited	Body Corporate	Singapore	100%	Foreign	Singapore
Macquarie Holdings (Singapore) Pte. Ltd.	Body Corporate	Singapore	0%	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 Investments 1 Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Investments (UK) Limited	Body Corporate	United Kingdom	100%	Foreign	United Kingdom
Macquarie Meters 3 (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
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	Body Corporate	United States	100%	Foreign	N/A
Circularix Management Company, LLC	Body Corporate	United States	0%	Foreign	N/A
Circularix, LLC	Body Corporate	United States	67%	Foreign	N/A
CX Hatfield II, LLC	Body Corporate	United States	67%	Foreign	N/A
CX Hatfield, LLC	Body Corporate	United States	67%	Foreign	N/A
CX Ocala, LLC	Body Corporate	United States	67%	Foreign	N/A
CX Team, LLC	Body Corporate	United States	67%	Foreign	N/A
Macquarie America Holdings Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Energy North America Trading LLC	Body Corporate	United States	100%	Foreign	N/A
Macquarie Equipment Capital Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie Funding LLC	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	Body Corporate	United States	100%	Foreign	N/A
Macquarie Semiconductor and Technology Inc.	Body Corporate	United States	100%	Foreign	United States
Macquarie US Trading LLC	Body Corporate	United States	100%	Foreign	N/A
Whole Loan Trust	Body Corporate	United States	100%	Foreign	N/A

# Directors' declaration

Macquarie Bank Limited

In the Directors' opinion:

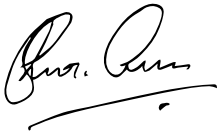
- (a) the financial statements and notes set out on pages 59 to 193 are in accordance with the Corporations Act 2001 (Cth) including:
  - (i) complying with Australian Accounting Standards, and
  - (ii) giving a true and fair view of the Company's and the Consolidated Entity's financial positions as at 31 March 2026 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 194 to 196 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  
8 May 2026

# 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:

- a) giving a true and fair view of the Company's and Consolidated Entity's financial positions as at 31 March 2026 and of their financial performance for the year then ended;
- b) 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 2026;
- 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 2026;
- 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 2026;
- 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 audits of the financial report of public interest entities 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.

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Liability limited by a scheme approved under Professional Standards Legislation.

## 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 our 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 both the Company and the Consolidated Entity, unless otherwise stated below. We communicated the key audit matters to the Board Audit Committee.

### Key audit matter

### How our audit addressed the key audit matter

#### Expected credit loss (ECL) allowance on loan assets (Refer to note 7)

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 global economic outlook remains uncertain. The conflict in the Middle East has heightened this uncertainty, with implications on energy price volatility, ongoing trade uncertainties, inflationary pressures and the path of monetary policy across global economies. This has contributed to the significant judgement required to be exercised by the Consolidated Entity in the calculation of the ECL. Specifically, this includes judgements around the use of forward-looking information, including developing macroeconomic scenarios and their associated weightings and the use of post-model adjustments in the calculation of the ECL.

In order to meet the requirements of AASB 9, the Company and 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 Company and 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.

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 model 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, and
- 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, weights 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 assess 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 approach used for overlay derivation and testing the underlying data used for the calculation, and
- considering the impacts on the ECL allowance as a result of 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 31)

The Company and the Consolidated Entity applies judgement when determining the fair value of certain 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 inputs, models and assumptions.

Given the extent of the judgement involved in the use of significant unobservable inputs in valuing these Level 3 assets and liabilities, we considered this to be a key audit matter.

Our procedures 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 independent price verification process performed over the assumptions and significant unobservable inputs used in the valuation of Level 3 assets and liabilities
- the appropriateness of certain assumptions used in the valuation of Level 3 assets and liabilities
- the validation and approval of the valuation models used, including their ongoing appropriateness
- 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 appropriateness and accuracy of significant unobservable inputs used and the underlying assumptions.

For a sample of Level 3 financial investments and loan assets, together with PwC valuation experts we assessed the appropriateness and accuracy of significant unobservable inputs and assumptions used such as forecasts and comparable market information.

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 where relevant, 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 18)

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 sample 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 2026, 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://auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://auasb.gov.au/media/bwvjcgre/ar1_2024.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 2026.

In our opinion, the remuneration report of Macquarie Bank Limited for the year ended 31 March 2026 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  
8 May 2026

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A woman with dark hair, wearing a grey off-the-shoulder top and a black headset, is shown in profile, looking towards the right. The background is a blurred office or call center environment with computer monitors and equipment.

# 04

## Further Information

### Macquarie Aurora, Australia

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



# Additional investor information

## Calendar

### 2026

Date	Event
8 May	Full-year result announcement
9 June	Payment date for BCN3 distribution
22 June	Payment date for BCN2 distribution
7 September	Payment date for BCN3 distribution
21 September	Payment date for BCN2 distribution
30 September	Financial half-year end
6 November <sup>1</sup>	Half-year result announcement
7 December	Payment date for BCN3 distribution
21 December	Payment date for BCN2 distribution

### 2027

Date	Event
8 March	Payment date for BCN3 distribution
22 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 listed on exchanges that include the ASX and London Stock Exchange, SGX and the Taipei Exchange. Macquarie Bank also has warrants listed on the Luxembourg Stock Exchange (LuxSE) (Euro MTF), SGX, Hong Kong Stock Exchange and certificates listed on the LuxSE (Euro MTF).

## Securities on issue

The following information is correct as at 31 March 2026.

### 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 2026, 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.

<sup>1</sup> 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>	370,061	5.77
HSBC Custody Nominees (Australia) Limited	271,144	4.23
Trustees of the Roman Catholic Church for the Diocese of Bathurst	243,549	3.80
Netwealth Investments Limited <Wrap Services A/C>	160,467	2.50
Citicorp Nominees Pty Limited	128,964	2.01
Mutual Trust Pty Ltd	113,591	1.77
Invia Custodian Pty Limited <Mr Stephen A Ninnis A/C>	103,194	1.61
J P Morgan Nominees Australia Pty Limited	76,644	1.20
HSBC Custody Nominees (Australia) Limited-GSI EDA	70,000	1.09
HSBC Custody Nominees (Australia) Limited - A/C 2	49,681	0.78
Invia Custodian Pty Limited <Costa Asset M No 2 PL A/C>	40,000	0.62
33 Bank Street Nominees Pty Ltd	37,100	0.58
Vision Australia Foundation <Vision Australia Credit A/C>	36,511	0.57
Netwealth Investments Limited <Super Services A/C>	31,604	0.49
Herbert St Investments Pty Ltd	31,080	0.48
Berne No 132 Nominees Pty Ltd	30,000	0.47
Mrs Liji Hui Sheng Humphrys	27,900	0.44
A R E Investments Pty Limited	27,744	0.43
IOOF Investment Services Limited <IOOF IDPS A/C>	24,422	0.38
Diocese Development Fund - Catholic Diocese of Parramatta	23,930	0.37
<b>Total</b>	<b>1,897,586</b>	<b>29.59</b>

### Spread of noteholdings

Range	Number of BCN2 holders	Number of BCN2	% of BCN2
1 to 1,000	7,705	2,249,251	35.09
1,001 to 5,000	725	1,445,293	22.55
5,001 to 10,000	61	434,179	6.77
10,001 to 100,000	39	869,577	13.57
100,001 notes and over	7	1,411,970	22.03
<b>Total</b>	<b>8,537</b>	<b>6,410,270</b>	<b>100.00</b>

There were 15 noteholders (representing 20 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>	614,515	9.38
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	397,258	6.07
HSBC Custody Nominees (Australia) Limited	294,263	4.49
Netwealth Investments Limited <Wrap Services A/C>	239,419	3.66
Citicorp Nominees Pty Limited	129,272	1.97
Mutual Trust Pty Ltd	99,126	1.51
J P Morgan Nominees Australia Pty Limited	77,179	1.18
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	59,918	0.91
HSBC Custody Nominees (Australia) Limited - A/C 2	56,283	0.86
BNP Paribas Nominees Pty Ltd <Pitcher Partners>	55,904	0.85
Fishbourne Pty Ltd	44,798	0.68
Berne No 132 Nominees Pty Ltd <784215 A/C>	34,670	0.53
Leda Assets Pty Ltd	30,500	0.47
Dimbulu Pty Ltd	28,000	0.43
Netwealth Investments Limited <Super Services A/C>	26,435	0.40
IOOF Investment Services Limited <IPS Superfund A/C>	23,876	0.36
IOOF Investment Services Limited <IOOF IDPS A/C>	23,247	0.35
Invia Custodian Pty Limited <WEHI - Investment Pool A/C>	19,800	0.30
John E Gill Trading Pty Ltd	17,749	0.27
Jove Pty Ltd	15,950	0.24
<b>Total</b>	<b>2,288,162</b>	<b>34.91</b>

### Spread of noteholdings

Range	Number of BCN3 holders	Number of BCN3	% of BCN3
1 to 1,000	6,330	2,279,754	34.81
1,001 to 5,000	752	1,576,705	24.08
5,001 to 10,000	34	247,971	3.79
10,001 to 100,000	28	769,323	11.75
100,001 notes and over	5	1,674,727	25.57
<b>Total</b>	<b>7,149</b>	<b>6,548,480</b>	<b>100.00</b>

There were 3 noteholders (representing 7 notes) who held less than a marketable parcel.

## Enquiries

### Investor relations

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Level 1, 1 Elizabeth Street  
Sydney NSW 2000 Australia

Telephone: +61 2 8232 3333  
Email: [macquarie.shareholders@macquarie.com](mailto:macquarie.shareholders@macquarie.com)  
Website: [macquarie.com/investors](https://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 are available at [macquarie.com/investors](https://macquarie.com/investors)

# Glossary

Defined term	Definition
<b>A</b>	
AASB	Australian Accounting Standards Board
Accountable Person	Accountable Person under the Financial Accountability Regime (FAR)
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 2026 Annual Report
ANZ	Australia and New Zealand
APRA	Australian Prudential Regulation Authority
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>B</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
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
<b>C</b>	
CAGR	compound annual growth rate
CCB	Capital Conservation Buffer
CCyB	Countercyclical Capital Buffer
Central Service Groups	the Central Service Groups consist of COG, FPE, LGG and RMG
CEO	Managing Director and Chief Executive Officer
CET1	Common Equity Tier 1
CGM	Commodities and Global Markets Group
CFO	Chief Financial Officer
Clawback	the ability of the Board to recover (in whole or in part) variable remuneration that has been paid or vested
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 FY2026 and FY2025
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
<b>D</b>	
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
<b>E</b>	
EAD	exposure at default
ECAM	Economic Capital Adequacy Model
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
<b>F-H</b>	
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
FX	Foreign Exchange

Defined term	Definition
FY	Full Year ended 31 March
GDP	gross domestic product
GGC	Group General Counsel
GST	Goods and Services Tax
HFT	held for trading
<b>I-J</b>	
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IRRBB	Interest Rate Risk in the Banking Book
<b>K</b>	
Key Management Personnel (KMP)	all Voting Directors and members of the Executive Committee of MBL
<b>L</b>	
LAC	Loss-Absorbing Capacity
LCR	Liquidity Coverage Ratio
LGD	loss given default
LGG	Legal and Governance Group
LuxSE	Luxembourg Stock Exchange
<b>M</b>	
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 to reduce, or eliminate in full, unvested variable remuneration
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
MIFL	Macquarie International Finance Limited ABN 62 092 985 263
MNA	master netting arrangements
<b>N</b>	
NED	Non-Executive Director
NIFO	net investment in foreign operations
Non-Bank Group	MGL, MFL, MAMH, MIFL, and their subsidiaries

Defined term	Definition
NPAT	net profit after tax
NPA	Net Profit Contribution
NSFR	Net Stable Funding Ratio
<b>O</b>	
OCI	other comprehensive income
Operating Groups	the Operating Groups consist of BFS and CGM
OTC	over-the-counter
<b>P-Q</b>	
PD	probability of default
PSU	Performance Share Unit issued under the MEREP
PwC	PricewaterhouseCoopers
<b>R</b>	
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
RWA	Risk Weighted Assets
<b>S</b>	
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
<b>T-U</b>	
TSR	total shareholder return
<b>V-Z</b>	
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 Bank’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 based on current expectations, assumptions and judgements, made as at the date of this Annual Report and are not a guarantee or prediction of future events or performance. Macquarie Bank does not represent or warrant such forward-looking statements will be achieved and expressly disclaims any obligation or responsibility to publicly release the result of any revisions to these forward-looking statements or to otherwise update or revise 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 Bank currently believes it has reasonable grounds to support these forward-looking statements and forecasts, they are subject to uncertainty and contingencies outside Macquarie Bank’s control. While Macquarie Bank 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.

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