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ASX/Media Release

MACQUARIE GROUP ANNOUNCES $A3,715 MILLION FULL-YEAR PROFIT

Key Points

- FY25 net profit of $A3,715 million, up 5% on FY24; 2H25 net profit of $A2,103 million, up 30% on 1H25
- International income 66% of total income[1] in FY25
- Assets under management of $A941.0 billion at 31 March 2025, broadly in line with 31 March 2024 and up 3% from 30 September 2024
- Financial position comfortably exceeds regulatory minimum requirements
  - Group capital surplus of $A9.5 billion[2,3]
  - Bank Level 2 CET1 ratio 12.8% (Harmonised[4]: 17.6%); Leverage ratio 5.1% (Harmonised[4]: 5.8%); LCR 175%[5]; NSFR 113%[5]
- Return on equity 11.2%, compared to 10.8% in FY24; 2H25 annualised ROE 12.5%
- Final ordinary dividend of $A3.90 per share (35% franked), FY25 ordinary dividend of $A6.50 per share (35% franked), representing a 2H25 payout ratio of 71% and FY25 payout ratio of 67%

SYDNEY, 9 May 2025 – Macquarie Group Limited (Macquarie) (ASX: MQG; ADR: MQBKY) today announced a net profit after tax attributable to ordinary shareholders of $A3,715 million for the year ended 31 March 2025 (FY25), up five per cent on the year ended 31 March 2024 (FY24). Profit for the half year ended 31 March 2025 (2H25) was $A2,103 million, up 30 per cent on the half year ended 30 September 2024 (1H25).

Macquarie Group Managing Director and Chief Executive Officer, Shemara Wikramanayake, said: "Against a backdrop of ongoing market and economic uncertainty, Macquarie's client franchises remained resilient over the past year, delivering new business origination and underlying income growth, contributing to our history of unbroken profitability."

Net operating income of $A17,208 million was up two per cent on FY24, while operating expenses of $A12,140 million were broadly in line with FY24. International income accounted for 66 per cent of Macquarie's total income.

Income tax expense of $A1,326 million was up three per cent on FY24 and the effective tax rate was 26.3 per cent[6], down from 26.8 per cent in FY24. The lower effective tax rate was mainly driven by the geographic composition and nature of earnings.

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[1] Where referenced in this document, total income is net operating income excluding earnings on capital and other corporate items.

[2] The Group capital surplus is the amount of capital above Australian Prudential Regulation Authority (APRA) regulatory requirements. Bank Group regulatory requirements are calculated in accordance with Prudential Standard APS 110 Capital Adequacy (APS 110), at 10.5% of risk-weighted assets (RWA). This includes the industry minimum Tier 1 requirement of 6.0%, capital conservation buffer (CCB) of 3.75% and a countercyclical capital buffer (CCyB). The CCyB of the Bank Group at March 2025 is 0.74% (September 2024: 0.76%), this is rounded to 0.75% (September 2024: 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.

[3] The surplus reported includes provisions for internal capital buffers and differences between Level 1 and Level 2 requirements, including the $A500 million operational capital overlay imposed by APRA.

[4] Basel III applies only to the Bank Group and not the Non-Bank Group. 'Harmonised' Basel III estimates are calculated in accordance with the updated Basel Committee on Banking Supervision (BCBS) Basel III framework, noting that Macquarie Bank Limited (MBL) is not regulated by the BCBS therefore the ratios are indicative only.

[5] Average Liquidity Coverage Ratio (LCR) for March 2025 quarter is based on an average of daily observations. APRA imposed a 25% add-on to the Net Cash Outflow component of the LCR calculation from 1 May 2022, and a 1% decrease to the Available Stable Funding component of the Net Stable Funding Ratio (NSFR) calculation, effective from 1 April 2021.

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

As at 31 March 2025, Macquarie employed 19,735 people[7], which was down five per cent on 31 March 2024. In addition, approximately 243,000 people were employed across managed fund assets and investments[8].

Assets under management as at 31 March 2025 were $A941.0 billion, broadly in line with $A938.3 billion as at 31 March 2024. The movement was primarily driven by increased fund investments and net asset valuations, offset by asset divestments and outflows in equity strategies.

Operating Group performance

Macquarie Asset Management (MAM) delivered a net profit contribution[9] of $A1,610 million, up 33 per cent from $A1,208 million in FY24. The result was primarily driven by higher performance fees and the gain on sale of the Macquarie Rotorcraft helicopter leasing business.

Banking and Financial Services (BFS) delivered a net profit contribution of $A1,380 million, up 11 per cent from $A1,241 million in FY24. The result reflected growth in the loan portfolio and BFS deposits, together with lower expenses reflecting lower average headcount, partially offset by margin compression, higher credit impairment charges and run-off in the car loan portfolio.

Commodities and Global Markets (CGM) delivered a net profit contribution of $A2,829 million, down 12 per cent from $A3,213 million in FY24. The result reflected decreased contribution from Commodities risk management, driven by decreased client hedging activity due to subdued conditions in certain commodity markets, particularly EMEA Gas, Power and Emissions and Global Oil, as well as lower Commodities inventory management and trading due to timing of income recognition on North American Gas and Power contracts. This was partially offset by an increased contribution from Financial Markets with continued strong performance across major products and markets, particularly in structured foreign exchange and an increased contribution from the Equities business.

Macquarie Capital delivered a net profit contribution of $A1,043 million, broadly in line with $A1,051 million in FY24. The result reflected higher advisory and brokerage fee income and higher net interest income from the private credit portfolio in the current year, offset by lower investment-related income primarily driven by lower impairment reversals and higher funding costs reflecting growth in the equity investment portfolio.

Capital management and funding position

Macquarie's financial position exceeds the Australian Prudential Regulation Authority's (APRA) Basel III regulatory requirements, with a Group capital surplus of $A9.5 billion[2,3] at 31 March 2025, down from $A10.7 billion at 31 March 2024.

The Bank Group APRA Basel III Level 2 Common Equity Tier 1 (CET1) capital ratio was 12.8 per cent (Harmonised[4]: 17.6 per cent) at 31 March 2025, down from 13.6 per cent (Harmonised[4]: 18.7 per cent) at 31 March 2024. The Bank Group's APRA Leverage Ratio was 5.1 per cent (Harmonised[4]: 5.8 per cent), the Liquidity Coverage Ratio (LCR) was 175 per cent[5] and the Net Stable Funding Ratio (NSFR) was 113 per cent[5] at 31 March 2025.

Total deposits increased to $A177.7 billion at 31 March 2025, up 20 per cent on 31 March 2024. Term funding[10] of $A32.0 billion was raised during FY25.

On-market share buyback

On 1 November 2024, Macquarie announced that the Board had approved an extension of the on-market share buyback of up to $A2.0 billion for a further 12 months. The buyback provides additional flexibility to manage the Group's capital and Macquarie retains the ability to vary, pause or terminate the buyback at any time. The timing and actual number of ordinary shares purchased under the buyback will be subject to a number of factors including the Group's surplus capital position, market conditions and opportunities to deploy capital by the businesses.

Macquarie will continue to be disciplined in assessing opportunities to deploy capital to generate appropriate risk-adjusted returns for our shareholders, including for any capital generated as a result of announced transactions expected to be completed by the end of the 2025 calendar year. As at 8 May 2025, a total of $A1,013 million of ordinary shares had been acquired on-market at an average price of $A189.80 per share.

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[7] Includes staff employed in certain operationally segregated subsidiaries.
[8] Includes people employed through Private Markets-managed fund assets in Real Assets and investments where Macquarie Capital holds significant influence, including operationally segregated subsidiaries.
[9] Where referenced in this document, net profit contribution is management accounting profit before unallocated corporate items, profit share and income tax.
[10] 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.

FY25 final ordinary dividend

The Macquarie Group Limited Board today announced a FY25 final ordinary dividend of $A3.90 per share (35 per cent franked). This represents a total FY25 ordinary dividend of $A6.50 per share (35 per cent franked), 2H25 payout ratio of 71 per cent and FY25 payout ratio of 67 per cent. Macquarie's dividend policy remains at a 50 to 70 per cent annual payout ratio.

The record date for the final ordinary dividend is 20 May 2025 and the payment date is 2 July 2025. Shares are to be acquired on-market to satisfy the Dividend Reinvestment Plan (DRP) for the FY25 final ordinary dividend[11].

Outlook

Macquarie continues to maintain a cautious stance, with a conservative approach to capital, funding and liquidity that positions it well to respond to the current environment.

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

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

Ms Wikramanayake said: "Macquarie remains well-positioned to deliver superior performance in the medium term with established, diverse income streams; deep expertise across diverse sectors in major markets with structural growth tailwinds; patient adjacent growth across new products and new markets; ongoing investment in our operating platform; a strong and conservative balance sheet; and a proven risk management framework and culture."

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This document has been authorised for release to the ASX by the Board.

[11] The DRP pricing period is from 27 May 2025 to 6 June 2025. Shares will be issued if purchasing becomes impractical or inadvisable.