

# ASX/Media Release

## MACQUARIE GROUP 2025 ANNUAL GENERAL MEETING AND FIRST QUARTER 2026 UPDATE

### Key Points

- 1Q26 net profit contribution<sup>1</sup> was down on prior corresponding period (pcp) (1Q25), with improved performance in BFS and Macquarie Capital, more than offset by lower contributions from MAM and CGM
- Financial position comfortably exceeds regulatory minimum requirements
  - Group capital surplus of \$A7.6 billion at 30 June 2025<sup>2</sup>
  - Bank CET1 Level 2 ratio 12.7% (Harmonised: 17.6%<sup>3</sup>); Leverage ratio 5.1% (Harmonised: 5.8%<sup>3</sup>); LCR 184%<sup>4</sup>; NSFR 110%<sup>4</sup>

**SYDNEY, 24 July 2025** – Macquarie Group (ASX: MQG; ADR: MQBKY) today provided an update on the first quarter of its 2026 financial year ahead of its 2025 Annual General Meeting in Sydney. Speaking before today's meeting, Macquarie Group Managing Director and Chief Executive Officer (CEO), Shemara Wikramanayake, said that Macquarie's net profit contribution for the three months to 30 June 2025, or the first quarter of the Group's 2026 financial year (1Q26) was down on 1Q25, with improved performance in Banking and Financial Services (BFS) and Macquarie Capital (MacCap), more than offset by lower contributions from Macquarie Asset Management (MAM) and Commodities and Global Markets (CGM):

- **MAM's** net profit contribution was down on pcp, primarily due to timing of investment-related income from asset realisations, partially offset by an increase in performance fees.
- **BFS'** net profit contribution was up on pcp, driven by volume growth in the loan portfolio and BFS deposits, partially offset by margin compression due to lending and deposit competition and changes in portfolio mix.

<sup>1</sup> Net profit contribution is management accounting profit before unallocated corporate items, profit share and income tax.

<sup>2</sup> 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 June 2025 is 0.73%, 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. 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.

<sup>3</sup> '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.

<sup>4</sup> Average Liquidity Coverage Ratio (LCR) for June 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.

## Macquarie Group Limited

- **CGM's** net profit contribution was down on pcp, due to reduced contribution from Commodities which recorded lower net interest and trading income in North American Gas and Power. This was partially offset by increased client activity across Financial Markets and Asset Finance.
- **MacCap's** net profit contribution was up on pcp, driven by higher income from the private credit portfolio primarily due to volume growth, and increased fee and commission income.

Macquarie Group's financial position continues to comfortably exceed the Australian Prudential Regulation Authority (APRA) Basel III regulatory requirements, with a Group capital surplus of \$A7.6 billion at 30 June 2025, down from \$A9.5 billion at 31 March 2025, predominantly driven by payment of the 2H25 dividend, FY25 Macquarie Group Employee Retained Equity Plan (MEREP) awards and growth in business capital requirements, partially offset by 1Q26 net profit after tax. The Bank Group APRA Basel III Common Equity Tier 1 capital ratio was 12.7 per cent (Harmonised: 17.6 per cent<sup>3</sup>) at 30 June 2025, down from 12.8 per cent at 31 March 2025. The Bank Group's APRA leverage ratio was 5.1 per cent (Harmonised: 5.8 per cent<sup>3</sup>), Liquidity Coverage Ratio (LCR) was 184 per cent<sup>4</sup> and Net Stable Funding Ratio (NSFR) was 110 per cent<sup>4</sup> at 30 June 2025.

On 1 November 2024, Macquarie announced that the Board approved an extension of the on-market share buyback of up to \$A2 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. As at 23 July 2025, a total of \$A1,013 million of ordinary shares had been acquired on-market at an average price of \$A189.80 per share.

On 20 June 2025, the acquisition of ordinary shares pursuant to MEREP was completed. A total of \$A686 million<sup>5</sup> of shares were purchased at a weighted average price of \$A209.72 per share. On 2 July 2025, the Dividend Reinvestment Plan (DRP) in respect of the 2H25 dividend was satisfied through the allocation of ordinary shares at a price of \$A213.66 per share<sup>6</sup>. The shares allocated under the DRP were acquired on-market.

## First quarter business highlights

Ms Wikramanayake noted the following 1Q26 highlights for each Operating Group:

- **MAM** had \$A945.8 billion in assets under management at 30 June 2025, up one per cent on 31 March 2025. For MAM Public Investments, assets under management of \$A544.2 billion were down one per cent on 31 March 2025. MAM Private Markets had \$A401.6 billion in assets under management<sup>7</sup>, which were up three per cent on 31 March 2025. During the quarter \$A3.5 billion in new equity was raised in Private Markets, \$A7.0 billion of equity was invested and \$A0.5 billion was divested, resulting in \$A23.5 billion of equity to deploy at 30 June 2025. Macquarie Group agreed to divest its North American and European Public Investments businesses to Nomura in April 2025, retaining the Public Investments business in Australia. The transaction is expected to close by the end of calendar 2025.
- **BFS** deposits<sup>8</sup> of \$A178.9 billion at 30 June 2025 were up four per cent on 31 March 2025. The home loan portfolio<sup>9</sup> of \$A150.2 billion was up six per cent on 31 March 2025; funds on platform of \$A164.5 billion were up seven per cent on 31 March 2025; and the business banking loan portfolio of \$A17.3 billion was up four per cent on 31 March 2025.
- **CGM** Commodities performance was down on the pcp, largely driven by reduced trading activity in North American Gas and Power. Financial Markets benefitted from continued strong client activity across sectors encompassing Foreign exchange and Interest rate risk management, Financing and Futures. Asset Finance volumes were up on the pcp contributing to modest increases in annuity revenues across the portfolio.

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<sup>5</sup> Comprising \$A599 million off-market and \$A87 million on-market purchases.

<sup>6</sup> The DRP price was determined in accordance with the DRP Rules and is the arithmetic average of the daily volume-weighted average price of all Macquarie Group shares sold through a Normal Trade on the ASX automated trading system over the nine trading days from 27 May 2025 to 6 June 2025.

<sup>7</sup> As at 30 June 2025, Private Markets Assets under Management (AUM) excluding Real Estate is calculated as the proportional ownership interest in the underlying assets of funds and mandated assets that Macquarie actively manages or advises for the purpose of wealth creation, adjusted to exclude cross-holdings in funds and reflects Macquarie's proportional ownership interest of the fund manager. Real Estate AUM represents the proportional gross asset value (including estimated total project costs for developments) of real estate assets owned by funds or managed by investee platforms. Private Markets AUM includes equity yet to deploy and equity committed to assets but not yet deployed.

<sup>8</sup> BFS deposits include home loan offset accounts.

<sup>9</sup> Home loan portfolio excludes offset accounts.

- **MacCap** advisory fee income was up on pcp, particularly in the Americas. During the quarter, Principal Finance deployed more than \$A1.5 billion through focused investment in credit markets and bespoke financing solutions, with a Private Credit portfolio of \$A25.1 billion<sup>10</sup> as at 30 June 2025.

## Management Update

Alex Harvey has decided to step down as Chief Financial Officer (CFO) and from Macquarie's Executive Committee, effective 31 December 2025. Alex intends to retire mid-2026, after completing an extended handover to his successor, Frank Kwok.

Alex has been with Macquarie for 28 years, during which time he has been Global Head of the Principal Transaction Group in Macquarie Capital, CEO of Macquarie Group in Asia and Chair of the Macquarie Group Foundation. As CFO for the last eight years, Alex has delivered a significant transformation in Macquarie's financial management and stakeholder engagement activities, playing a key role in driving the global growth of the Group.

Frank has also been with Macquarie for 28 years, most recently as Deputy CFO since March 2024 and as Group Treasurer. Prior to those roles, Frank held senior roles 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. Subject to obtaining necessary approvals, he will take on his new roles and join Macquarie's Executive Committee, effective 1 January 2026.

## 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 Macquarie's 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

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

## Highlights from the address of Chair, Glenn Stevens

In providing an overview of the year ended 31 March 2025 (FY25), Macquarie Group Chair, Glenn Stevens, outlined the Group's improved FY25 performance and highlighted the continued focus on capital allocation.

Mr Stevens said "The Group delivered a profit of \$A3.7 billion in FY25, up five per cent on the previous year's result. Reflecting more subdued conditions in global energy and certain commodity markets, profits in Commodities and Global Markets were down, while they were up in Macquarie Asset Management due to improved asset realisations. Macquarie Capital's result was broadly in line with the prior year, while profits increased in Banking and Financial Services, helped by further growth in key portfolios."

Mr Stevens said Macquarie's operating businesses continue to focus on growing activities with the potential of earning a higher risk-adjusted return on shareholders' capital over the longer term. "Disciplined capital allocation is key, and Macquarie is willing not only to give priority to the most promising opportunities, but also to divest businesses that are

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<sup>10</sup> Committed private credit portfolio as at 30 June 2025.

no longer central to our strategy or whose prospects could be improved under alternative ownership. The past year has seen a few such transactions,” he said.

In addition, he noted the focus on remediation of regulatory issues, and associated strengthening of the company's risk culture. “Risk culture is central and a great deal of work has been done over the past several years to respond to changes in our business operations and the expectations of regulators and the communities in which we operate. Where shortcomings are identified, the Board holds staff accountable, seeks to incentivise future improvement and reflects on what the issue might tell us about the organisation's culture... I also acknowledge that, while Macquarie's remuneration system is strongly supported by shareholders, a number of shareholders have the view that the board has not adequately reflected risk shortcomings in our FY25 decisions. The Board hears your message and will reflect carefully on addressing those concerns.”

Macquarie remains well-positioned to continue playing a constructive role as a financier, adviser, investor and fiduciary in the sustainability space. Mr Stevens said, “Macquarie's climate strategy and disclosures continue to evolve to meet the needs of clients, and the requirements of governments and regulators across markets, including efforts towards more consistent disclosure.”

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