

# Operating and Financial Review

Review of group performance and financial position continued

## Net operating income

Net operating income of \$A17,324 million for the year ended 31 March 2022 increased 36% from \$A12,774 million in the prior year. The increase was primarily driven by higher Fee and commission income, Net other operating income and Net interest and trading income.

### Net interest and trading income

#### FULL YEAR TO

31 Mar 22 \$Am	31 Mar 21 \$Am
6,856	5,677

↑ **21%**  
on prior year

- Higher commodities income mainly driven by increased risk management income with gains across the platform, particularly from Gas and Power, Resources, Agriculture, and Global Oil in CGM.
- Growth in the private credit portfolio in Macquarie Capital.
- Growth in the average loan portfolio as well as average deposit volumes in BFS.

Partially offset by:

- lower income in Corporate due to accounting volatility from changes in the fair value of economic hedges
- the impact of fair value adjustments across the derivatives portfolio in CGM.

### Fee and commission income

#### FULL YEAR TO

31 Mar 22 \$Am	31 Mar 21 \$Am
6,887	5,176

↑ **33%**  
on prior year

- MAM included higher base fee income primarily driven by the acquisition of Waddell & Reed and a disposition fee from MIC.
- Higher mergers and acquisitions fee income and debt capital markets fee income in Macquarie Capital.

Partially offset by:

- lower performance fees in MAM following a strong prior year
- lower equity capital market fee income and brokerage income in Macquarie Capital.

### Net operating lease income

#### FULL YEAR TO

31 Mar 22 \$Am	31 Mar 21 \$Am
402	466

↓ **14%**  
on prior year

- Reduction in secondary income in Technology, Media and Telecoms as well as the partial sale of the UK Meters portfolio of assets, partially offset by an increase in income from other areas of the Macquarie Energy, Resources & Sustainability portfolio, in CGM.

### Share of net profits/(losses) from associates and joint ventures

#### FULL YEAR TO

31 Mar 22 \$Am	31 Mar 21 \$Am
240	(3)

↑ **significantly**  
on prior year

- Increased equity accounted income from MIC and lower equity accounted losses in Macquarie AirFinance in MAM.

### Credit and other impairment charges

#### FULL YEAR TO

31 Mar 22 \$Am	31 Mar 21 \$Am
(509)	(524)

↓ **3%**  
on prior year

- Partial release of COVID-19 overlays in BFS and CGM. Credit provisioning levels remain prudent with the combined downside macroeconomic scenarios having a higher weighting than the upside scenario.

Partially offset by:

- a small number of underperforming equity investments in Macquarie Capital.

### Net other operating income

#### FULL YEAR TO

31 Mar 22 \$Am	31 Mar 21 \$Am
3,448	1,982

↑ **74%**  
on prior year

- Substantially higher revenue from material asset realisations in the green energy, technology and business services sectors and included realisations across all regions in Macquarie Capital.
- Gain on the partial sale of the UK Meters portfolio of assets in CGM.

Partially offset by:

- the non-recurrence of the gain on sale of Macquarie European Rail in the prior year in MAM.