

---

# Macquarie Group Limited

## 2011 Financial Report

### Contents

---

<b>Income statements</b>	<b>140</b>
<b>Statements of comprehensive income</b>	<b>141</b>
<b>Statements of financial position</b>	<b>142</b>
<b>Statements of changes in equity</b>	<b>144</b>
<b>Statements of cash flows</b>	<b>146</b>
<b>Notes to the financial statements</b>	<b>148</b>
1 Summary of significant accounting policies	148
2 Profit for the financial year	160
3 Segment reporting	163
4 Income tax expense	167
5 Dividends and distributions paid or provided for	168
6 Earnings per share	169
7 Due from financial institutions	171
8 Cash collateral on securities borrowed and reverse repurchase agreements	171
9 Trading portfolio assets	171
10 Loan assets held at amortised cost	172
11 Impaired financial assets	173
12 Other financial assets at fair value through profit or loss	173
13 Other assets	173
14 Investment securities available for sale	174
15 Intangible assets	174
16 Life investment contracts and other unitholder investment assets	175
17 Interests in associates and joint ventures accounted for using the equity method	176
18 Property, plant and equipment	178
19 Investments in subsidiaries	180
20 Deferred income tax assets/(liabilities)	181
21 Non-current assets and disposal groups classified as held for sale	182
22 Due to financial institutions	183
23 Cash collateral on securities lent and repurchase agreements	183
24 Trading portfolio liabilities	183
25 Debt issued at amortised cost	183
26 Other financial liabilities at fair value through profit or loss	184
27 Other liabilities	184
28 Provisions	184
29 Capital management strategy	185
30 Loan capital	186
31 Contributed equity	187
32 Reserves, retained earnings and non-controlling interests	190
33 Notes to the statements of cash flows	192
34 Related party information	193
35 Key Management Personnel disclosure	195
36 Employee equity participation	208
37 Contingent liabilities and commitments	216
38 Capital and other expenditure commitments	216
39 Lease commitments	216
40 Derivative financial instruments	217
41 Financial risk management	219
42 Average interest bearing assets and liabilities and related interest	238
43 Fair values of financial assets and liabilities	239
44 Audit and other services provided by PricewaterhouseCoopers	247
45 Acquisitions and disposals of subsidiaries and businesses	248
46 Events after the Reporting Period	249
<b>Directors' declaration</b>	<b>250</b>
<b>Independent audit report</b>	<b>251</b>

---

The Financial Report was authorised for issue by the Directors on 29 April 2011.  
The Consolidated Entity has the power to amend and reissue the Financial Report.