IN THE SUPREME COURT OF NEW SOUTH WALES **No of 2026**
DIVISION: EQUITY
LIST: CORPORATIONS
REGISTRY: SYDNEY

IN THE MATTER OF MACQUARIE BANK LIMITED (ACN 008 583 542)

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Plaintiff

MACQUARIE BANK LIMITED (ACN 008 583 542)

Defendant

STATEMENT OF AGREED FACTS AND ADMISSIONS

A. INTRODUCTION

1. This proposed Statement of Agreed Facts and Admissions (**SAFA**) is made jointly by the Australian Securities and Investments Commission (**ASIC**) and Macquarie Bank Limited (**MBL**) for the purposes of s 191 of the *Evidence Act 1995* (NSW).
2. The SAFA relates to a proceeding commenced by ASIC against MBL on 10 November 2026 (**Proceeding**). This SAFA is made in support of consent orders setting out the relief and other orders the parties agree to, which if made will resolve the Proceeding. The facts set out in this document are admitted by MBL for the purpose of the Proceeding.
3. In this SAFA:
    a. **Macquarie Website** means the website with the URL: https://www.macquarie.com.au/.
    b. **Relevant Period** means the period from 1 December 2021 to 9 September 2022.

B. BACKGROUND

4. At all material times, ASIC is and was a body corporate:
    a. established under s 7 of the *Australian Securities Commission Act 1989* (Cth);
    b. continued by s 261 of the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**); and

c. able to sue in its corporate name by reason of s 8 of the ASIC Act.

5. At all material times, MBL is and was:

   a. a corporation duly incorporated;

   b. liable to be sued in its corporate name; and

   c. since 1 March 2004, the holder of an Australian Financial Services licence (**AFSL**) numbered 237502.

6. At all material times, MBL was authorised by its AFSL to carry on a financial services business to, among other things:

   a. provide financial product advice in respect of deposit and payment products;

   b. deal in a financial product by:

      i. issuing, applying for, acquiring, varying or disposing of a financial product in respect of deposit and payment products; and

      ii. applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of deposit and payment products; and

   c. operate custodial or depository services other than investor directed portfolio services;

   to retail and wholesale clients.

7. During the Relevant Period, the operations of MBL's parent company, Macquarie Group Limited (**Macquarie Group**), were organised into four operating groups (each, an **Operating Group**), one of which was the Banking and Financial Services Group (**BFS Group**).

8. For the financial year ended 31 March 2022, Macquarie Group derived:

   a. net operating income of $17,324 million;

   b. operating profit before income tax of $6,539 million;

   c. profit after income tax of $4,953 million; and

   d. net profit of $4,706 million, of which the BFS Group's contribution was ~ 11%.

9. For the financial year ended 31 March 2022, MBL derived:

   a. net operating income of $9,554 million;

b. operating profit before income tax of $3,667 million; and

c. profit after income tax of $2,717 million.

10. For the financial year ended 31 March 2023, Macquarie Group derived:

a. net operating income of $19,122 million;

b. operating profit before income tax of $6,992 million;

c. profit after income tax of $5,168 million; and

d. net profit of $5,182 million, of which the BFS Group's contribution was ~ 12%.

11. For the financial year ended 31 March 2023, MBL derived:

a. net operating income of $12,791 million;

b. operating profit before income tax of $5,411 million; and

c. profit after income tax of $3,905 million.

12. During the Relevant Period, the Operating Groups constituted the Macquarie Group's first line of defence in managing risk, and were supported by four central service groups (each, a **Central Service Group**).

13. The Risk Management Group (**RMG**) was one of the four Central Service Groups that provided services across all Operating Groups, including the BFS Group. RMG formed the second line of defence to provide independent and objective review and challenge, oversight, monitoring and reporting of Macquarie Group's material risk.

14. The BFS Group comprised Macquarie Group's banking and financial services businesses and provided a range of personal banking, wealth management and business banking products and services to customers, advisers, brokers and businesses.

15. During the Relevant Period, the BFS Group was responsible for maintaining the systems, resources, management processes and operational controls required to identify, measure, evaluate, monitor and control or mitigate material risks, in accordance with Macquarie Group's "Risk Management Framework".

16. During the Relevant Period, the BFS Group had three distinct product and service distribution channels, comprising:

a. Personal Banking;

b. Wealth Management; and

c. Business Banking.

17. These distribution channels were serviced by divisions within the BFS Group that evolved in terms of organisational structure over the Relevant Period, but consistently provided support in respect of:

    a. People, Culture and Client Experience;

    b. Corporate Development and Strategy;

    c. Product (including treasury and funding) and Technology (including digital, data, design and engineering); and

    d. Central and Operations, comprising a range of functions supporting the BFS Group operations and risk management, including Credit, Legal, Non-Financial Risk, Finance and Marketing.

18. During the Relevant Period, the BFS Group's Personal Banking channel offered, among other financial products, the "Transaction Account" and "Savings Account".

19. Throughout the Relevant Period, a customer was required to hold an existing Transaction Account to open a Savings Account. A customer could apply for a Savings Account through:

    a. an application on the Macquarie Website;

    b. MBL's online banking portal; or

    c. MBL's mobile banking application.

20. At all material times during the Relevant Period, in the BFS Group:

    a. the Head of Banking Product and Treasury was responsible for the design and operation of Personal Banking products including deposit products;

    b. the "Deposits product team" (led by the Head of Payments and Deposits, who reported to the Head of Banking Product and Treasury) was responsible for Transaction Account and Savings Account product design and operation.

    c. the Deposits product team was supported by various teams across the BFS Group including the:

i. Marketing team, which was responsible for directing the BFS Group marketing strategy, including developing and executing data-driven marketing campaigns and content strategy;

ii. Corporate Affairs team, which was responsible for executing external market and media communications and strategies for the BFS Group, including with respect to deposit products; and

iii. Legal team, which was responsible for providing legal advice to support regulatory compliance and effective management of legal risk within the BFS Group, including with respect to deposit products.

C. WELCOME RATE OFFER

21. In July 2015, MBL started offering to the public a "welcome rate" in respect of Savings Accounts.

22. At all relevant times:

    a. the Savings Account was a financial product within the meaning of sections 763A and 764A(1)(i) of the *Corporations Act 2001* (Cth) (**Corporations Act**); and

    b. by offering the Savings Account to its customers, MBL issued a financial product and provided a financial service pursuant to section 766A(1)(b) of the Corporations Act.

23. During the Relevant Period, MBL offered new Savings Account customers a welcome rate which applied:

    a. for the first four months from account opening;

    b. on balances of up to $250,000;

    c. as a fixed rate, instead of the standard stepped variable rate that would otherwise apply to that portion of the balance of a customer's Savings Account, except in circumstances where the fixed welcome rate was exceeded by the prevailing standard stepped variable rate (in which case the customer's welcome rate was increased to match the standard stepped variable rate),

(the **Welcome Rate Offer**).

24. During the Relevant Period, MBL advertised the Welcome Rate Offer on the Macquarie Website, which included the:

    a. Savings Account Product Page;

    b. Savings Account Affiliate Campaign Page from 29 April 2022;

    c. Savings Account Campaign Page from 29 April 2022;

    d. Bank Accounts Campaign Page from 25 August 2022;

    e. Everyday Banking Page; and

    f. Everyday Banking Page for Macquarie Staff.

25. The Savings Account Product Page, the Savings Account Campaign Page, and the Savings Account Affiliate Campaign Page referred to in paragraph 24 above contained sections within each page, including a "Savings Account" heading section, a "Rates and fees" section and a "Frequently asked questions" section. The Everyday Banking Page and the Everyday Banking Page for Macquarie Staff contained links to the Savings Account Product Page.

C1 Welcome Rate Offer as displayed from 1 December 2021 to 29 April 2022

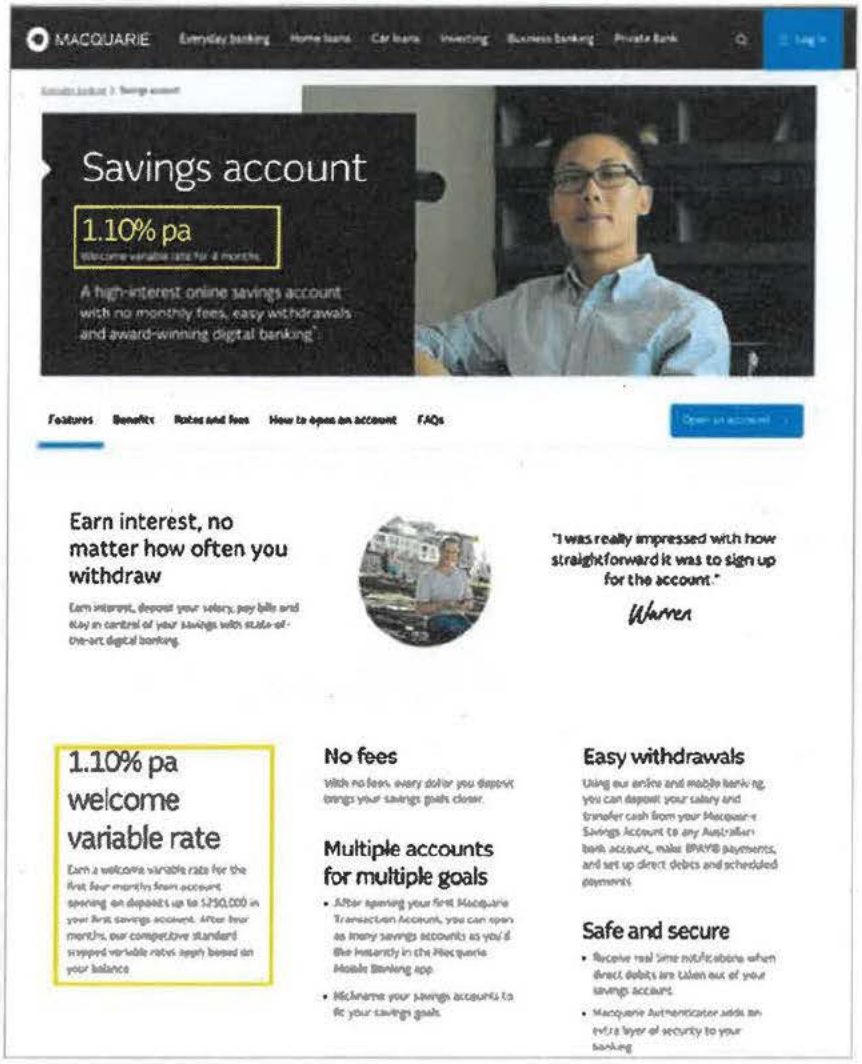
26. From 1 December 2021 to 29 April 2022, the Savings Account Product Page of the Macquarie Website displayed on:

    a. *its "Savings Account" heading section*:

        i. a specified percentage per annum with the words "Welcome variable rate for 4 months"; and

        ii. a specified percentage per annum with the words "Welcome variable rate. Earn a welcome variable rate for the first four months from account opening on deposits up to $250,000 in your first savings account. After four months, our competitive standard stepped variable rates apply based on your balance".

    an example of which is shown in the extract below (highlighting added):

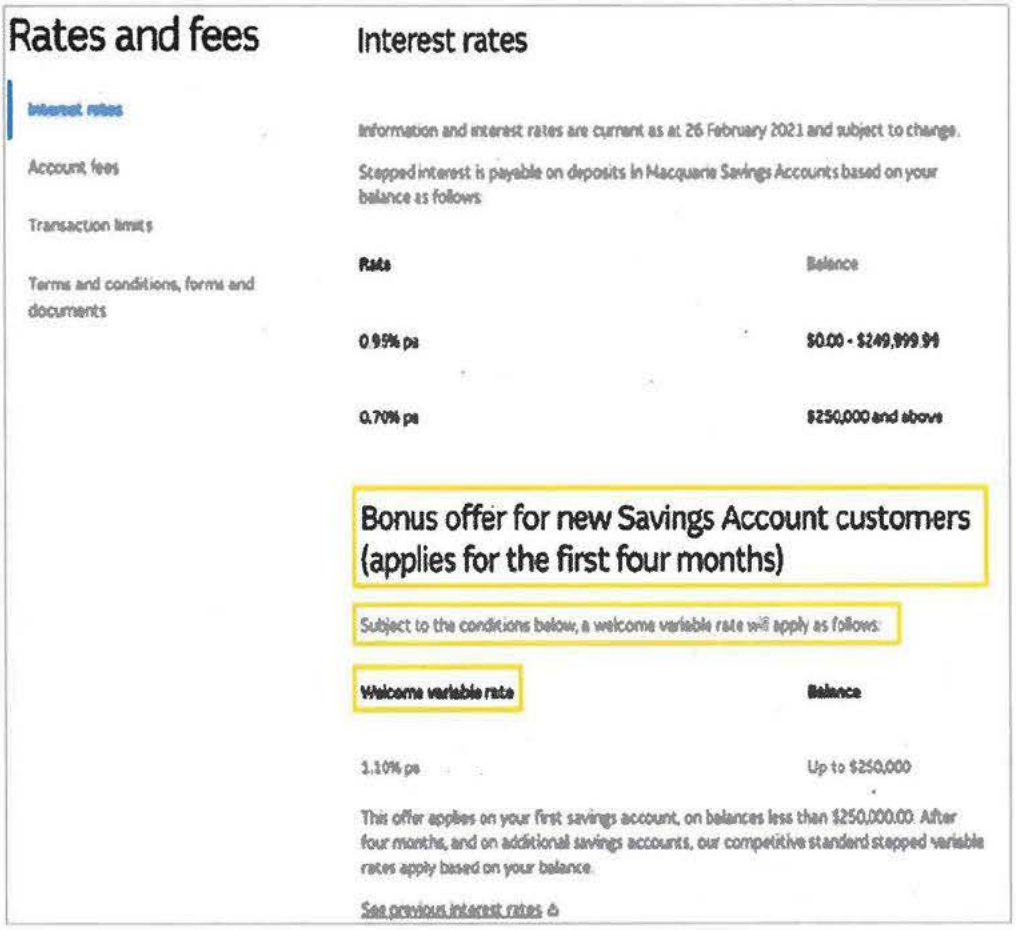


b. *its "Rates and fees" section*:

i. the relevant standard stepped variable rate with the words: "Bonus offer for new Savings Account customers (applies for the first four months)" and "Subject to the conditions below, a welcome variable rate will apply"; and

ii. a "Welcome variable rate" with a specified percentage per annum and the words "This offer applies on your first savings account on balances less than $250,000. After four months, and on additional savings accounts, our competitive standard stepped variable rates apply based on your balance",

an example of which is shown in the extract below (highlighting added):

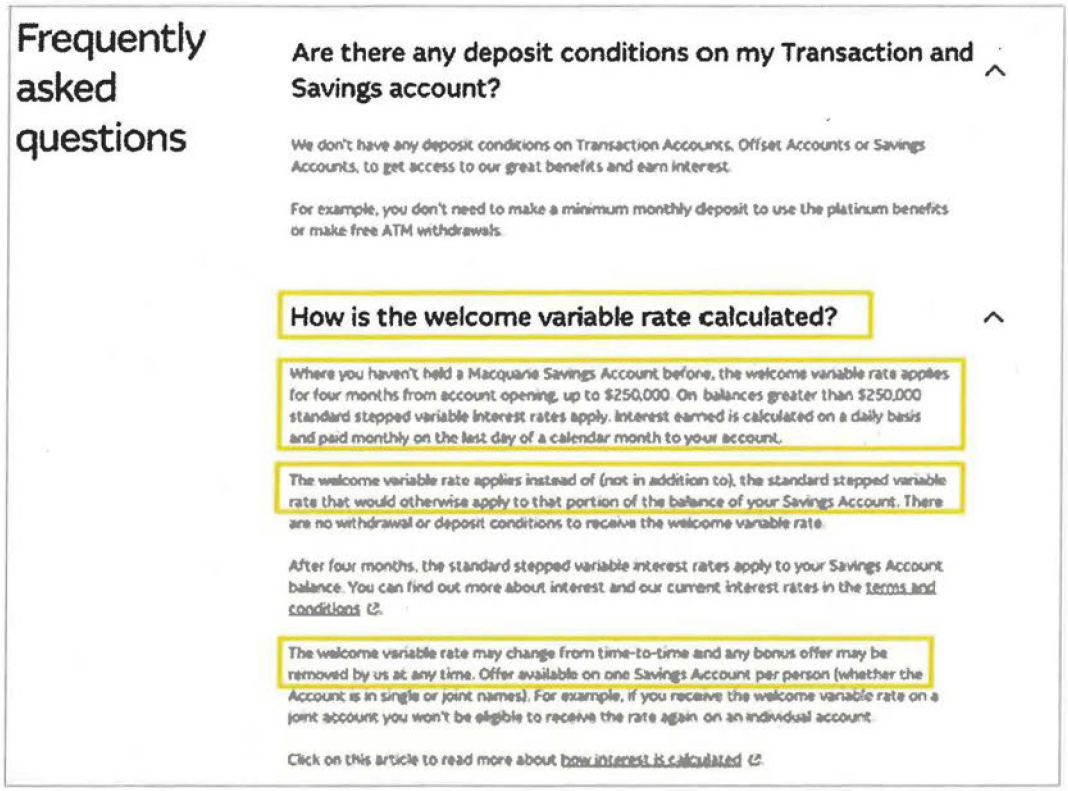


c. *its "Frequently asked questions" (or "FAQs") section*:

   i. the heading "How is the welcome variable rate calculated"; and

   ii. the words "the welcome variable rate applies for four months, from account opening, up to $250,000…"; "the welcome variable rate applies instead of (not in addition to) the standard stepped variable rate that would otherwise apply to that portion of the balance of your Savings Account…"; and "the welcome variable rate may change from time-to-time, and any bonus offer may be removed by us at any time…"

as shown in the extract below (highlighting added):



C2 Changes to the display of the Welcome Rate Offer on and from 29 April 2022

27. On and from 29 April 2022 to 12 August 2022, the "Rates and fees" section of the Savings Account Product Page was re-arranged so that the welcome interest rate was placed before the standard stepped variable rate content, and the headline was amended to remove the word "variable". The content described in this paragraph was presented in the same way on the Savings Account Affiliate Campaign Page and Savings Account Campaign Page from 29 April 2022 to 12 August 2022.

28. On and from 12 August 2022 to 9 September 2022, the "Rates and fees" section of the Savings Account Product Page was updated and expressly stated that "[t]he welcome rate is fixed at the time you apply for four months" and "should [MBL's] stepped variable rates exceed the welcome rate offer during the four-month period, interest will be calculated based on [MBL's] stepped variable rates". On the same date, the Savings Account Campaign Page and the Savings Account Affiliate Campaign Page were updated to state that "[t]he welcome rate is fixed at the time you apply for four months". The Savings Account Campaign Page and the Savings Account Affiliate Campaign Page were further amended on 6 October 2022, to include the statement: "should

[MBL's] stepped variable rates exceed the welcome rate offer during the four-month period, interest will be calculated based on [MBL's] stepped variable rates".

29. On and from 9 September 2022:

    a. the wording of the headline in the "Rates and fees" section of the Savings Account Product Page, Savings Account Campaign Page and the Savings Account Affiliate Campaign Page, was updated to include the words "fixed rate" in the phrase "Bonus offer for new Savings Account customers (fixed rate applies for the first four months)";

    b. the "Frequently asked questions" section of the Savings Account Product Page was updated to remove any reference to a "variable" welcome rate. Equivalent updates were made to the Savings Account Campaign Page and the Savings Account Affiliate Campaign Page on 23 August 2023;

    c. the Banking Accounts Campaign Page introduced on 25 August 2022 (which did not include a "Rates and fees" section) reflected the terms of the Welcome Rate as set out in the Savings Account Product Page, and, consistently with this, described the Welcome Rate as a "fixed" rate; and

    d. the Everyday Banking Page and Everyday Banking Page for Macquarie Staff (which did not include a "Rates and fees" section or "FAQs" section) were updated to refer to a "fixed" welcome rate for the savings account product (being the only product for which the Welcome Rate was advertised on these pages).

30. MBL admits that until the headline of the Savings Account Product Page, Savings Account Campaign Page and the Savings Account Affiliate Campaign Page were updated on 9 September 2022 to refer to a fixed rate, the reference to a "variable" rate combined with the word "bonus" may have caused customer confusion, in that customers may have considered that the welcome interest rate applied as bonus margin above the standard stepped variable rate.

C3 Operation of the Welcome Rate Offer

31. As noted above at paragraph 23, Macquarie's intention during the Relevant Period was that the four-month welcome interest rate would:

a. apply instead of (not in addition to) the standard stepped variable rate that would otherwise apply to a customer's savings account; and

b. be fixed, except in circumstances where it was exceeded by Macquarie's standard stepped variable rate that applied to balances up to $250,000 (in which case the welcome rate was increased to match the standard stepped variable rate).

32. Macquarie applied the four-month welcome interest rate in accordance with the intention identified in paragraph 31 above. For example, in circumstances where:

    a. an eligible customer signed up to a welcome interest rate of 2% p.a.;

    b. the standard stepped variable rate at the same time was 1.75% p.a.; and

    c. the standard stepped variable rate increased during the eligible customer's four-month welcome rate period to 2% p.a.,

    the eligible customer continued to receive an interest rate of 2% p.a. In other words, the welcome interest rate did not increase in step with the standard stepped variable rate (in the example – by 0.25% p.a.).

33. If the same circumstances described in the above paragraph arose, but the standard stepped variable rate instead increased during the eligible customer's four-month welcome rate period to 2.25% p.a., the eligible customer would receive an interest rate of 2.25% p.a. as their revised welcome rate.

34. MBL admits that statements about the Welcome Rate Offer advertised on the Macquarie Website during the Relevant Period did not communicate the product features described above clearly enough and could have resulted in some consumers thinking that they were being offered a bonus margin above any standard stepped variable rate.

35. At all times since MBL had offered a welcome rate to customers in respect of their Savings Accounts prior to May 2022, the RBA cash rate was either on hold or decreasing. The consequence of this was that up to May 2022, the four-month welcome interest rate did not decrease when the underlying standard stepped variable rate (which MBL based, in part, on the RBA cash rate) decreased, such that customers enjoyed an interest rate above the standard stepped variable rate throughout the four-month promotional period.

36. On and from May 2022, the RBA cash rate increased. The consequence of this was that for the first time, from May 2022, there were occasions on which MBL's standard stepped variable rate exceeded the welcome rate offered to customers as part of the Welcome Rate Offer within the four-month promotional period. In those circumstances, the customer's welcome rate was increased to match the standard stepped variable rate, with the further consequence that the margin initially enjoyed by the customer over and above the standard stepped variable rate would be reduced (in some cases, to nothing).

D. MBL'S OBLIGATION TO SAVINGS ACCOUNT HOLDERS

37. By reason of MBL's obligation under s 912A(1)(a) of the Corporations Act to provide its Savings Account products efficiently, honestly and fairly, MBL was required to:

    a. adequately monitor and manage the approvals process for advertisements and other communications published on the Macquarie Website;

    b. ensure that, at all relevant times, statements on the Macquarie Website describing the Welcome Rate Offer were clear and accurate;

    c. take reasonable steps to ensure that, in circumstances where customers were confused about the terms of the Welcome Rate Offer, the statements were reviewed and if necessary amended; and

    d. ensure that the relevant stakeholders across the BFS Group had sufficient oversight over, and addressed in a timely way, issues with statements on the Macquarie Website describing the Welcome Rate Offer.

E. AFCA COMPLAINT AND RESOLUTION

38. On 7 September 2022, an MBL customer (the **Complainant**) lodged a complaint with respect to the Welcome Rate Offer to the Australian Financial Complaints Authority (**AFCA**), alleging, among other things, that he opened a Savings Account because of MBL's offer of a welcome interest rate above the bank's standard stepped variable rate for four months, but that shortly after he opened the account, MBL removed the welcome rate.

39. On 18 May 2023, AFCA determined that MBL should pay the Complainant $1,000 made up of financial and non-financial loss in circumstances where the Welcome Rate Offer and its terms and conditions were unclear and led the Complainant to believe that

the welcome interest rate would vary and remain above the bank's standard stepped variable rate for the four month promotional period, rather than being set at the offered interest rate, or set at the standard stepped variable rate, whichever was greater (**AFCA Determination**).

40. On 20 June 2023, MBL paid the Complainant $1,000 in accordance with the AFCA Determination.

41. Following the AFCA Determination, MBL conducted a review of customer complaints between December 2021 and December 2024 and identified:

    a. 717 complaints regarding welcome interest rates;

    b. of those, 9 complaints (lodged by 8 customers, including the Complainant) which related to the same issues as those raised by the Complainant; and

    c. of the remaining complaints, 232 related to customers being dissatisfied with not being offered a higher welcome rate than that which applied at the time of account opening, notwithstanding that those complaints may not have expressly referred to the manner in which the Welcome Rate Offer was described in MBL's advertisements.

42. On 28 April 2025, AFCA further determined (**Further AFCA Determination**) that:

    a. a systemic issue had arisen in respect of whether the terms and conditions of the Welcome Rate Offer sufficiently described the promotional interest rates; and

    b. the issue had been resolved in circumstances where MBL had revised and updated the terms and conditions of its Welcome Rate Offer, and the advertisements on the Macquarie Website, and planned to remediate affected customers.

43. The Further AFCA Determination:

    a. acknowledged MBL's position that the low number of complaints, in comparison to the large number of established accounts, supported its view that most customers understood the terms and conditions of the Welcome Rate Offer and did not expect the welcome rate to always be higher than the standard stepped variable rate during the four-month promotional period; but

    b. ultimately found that:

i. the unclear wording in the Welcome Rate Offer did impact customers which was demonstrated by the number of complaints received;

ii. other customers may also have been impacted by the same interpretation issue but simply did not make a complaint; and

c. otherwise endorsed MBL's proposal to remediate customers who had complained and who might have been "confused" by the Welcome Rate Offer.

F. MBL'S ADVERTISING FRAMEWORK

44. During the Relevant Period, standalone advertisements (such as those that did not appear on the Macquarie Website, for which see paragraphs 47 to 48 below) relating to the Welcome Rate Offer were approved via the Document Approval System (**DAS**) by stakeholders with the relevant expertise. This procedure for creation, approval, publication and validation was as follows:

a. the Marketing team or Deposits product team initiated content changes through a Jira workflow, which served as a communication and coordination tool to engage relevant teams. Content would not be entered into Jira without prior prioritisation and approval by a member of the Marketing or Product leadership team;

b. as a matter of general practice, prior to formal approval, the 'initiator' of any change in content would engage relevant stakeholders across BFS Group for their review, including Product, Marketing, Legal, BFS Non Financial Risk and Corporate Affairs teams;

c. content was submitted for formal review and approval through the DAS which operated as the system of record for approvals;

d. approval was required from designated subject matter experts (**SMEs**);

e. SMEs reviewed and challenged the contents of any advertisements, noting that SMEs were not constrained from raising queries in relation to issues that were not necessarily within their specific remit. In particular:

i. the Marketing team reviewed advertisements and content for overall content and campaign strategy;

ii. the Deposits product team reviewed advertisements and content for product alignment;

iii. the Corporate Affairs team reviewed advertisements and content for reputational risk oversight;

iv. the Legal team reviewed advertisements and content for regulatory and legal issues; and

v. where relevant, BFS Non Financial Risk teams reviewed advertisements and content to consider non financial risk matters such as regulatory compliance, operational risk, or conduct risk matters that may arise from or be related to the advertisements and content;

f. following DAS approval, the content was prepared for publication by an in-house team. The content underwent a review process in a preview environment, whereby the published content was verified against the version approved through DAS. This exercise was documented in Jira; and

g. upon completion of the verification process, the content was published and went live. Once live, another verification exercise was completed on the live content and documented in Jira.

45. Where the only change to a live advertisement was the numerical interest rate, approvals were either processed through a fresh DAS cycle of the entire advertisement, or, between April 2022 and August 2023, via a "controlled exceptions check" within the Marketing team to verify the new rate against the DAS-approved original.

46. The "controlled exceptions check" was implemented in circumstances where interest rates were rapidly increasing, and involved a quality control check whereby three individuals within the Marketing team:

a. sighted the DAS-approved content of the original advertisement;

b. sighted instructions provided by the Deposits product team in relation to the relevant change to the interest rate; and

c. confirmed the advertising copy, the disclaimers, the format and the new interest rate matched those in the new version of the advertisement to be published.

47. With respect to content appearing on the Macquarie Website, which was a live, iterative platform, updates were processed incrementally and approved by stakeholders through DAS at the component level; the website as a whole was not re-approved with each change.

48. Updates to Macquarie Website content in respect of the Welcome Rate Offer were governed by the Marketing Team and Deposits product team processes set out in documents, including:

    a. a Deposits product team reference guide on updating Transaction Account and Savings Account terms and conditions established in 2019, and updated in 2025 (to include updates to product offerings, website content and terms and conditions);

    b. the Banking Product Collateral Change Guideline published on 1 July 2022 and regularly updated, which established a guide for all Banking product teams for making changes to, among other things, disclosure documents; and

    c. a Collateral Update Playbook, established in April 2024, to document the steps followed to update Deposits product team collateral in line with the Banking Product Collateral Change Guideline.

49. At no point during the Relevant Period did MBL have in place internal documents or guidance recording that, once the Welcome Rate Offer was accepted by a customer, it operated as a fixed rate unless exceeded by the standard stepped variable rate (in which case, the welcome interest rate was increased to match the standard stepped variable rate), which staff involved in approving advertisements could have reference to.

50. Although the advertising framework described in paragraphs 44 to 48 above was in place during the Relevant Period, it was inadequate to ensure that statements about the Welcome Rate Offer advertised on the Macquarie Website during the Relevant Period were not apt to cause confusion in customers. In particular:

    a. the content review and verification engagement by the relevant stakeholders across the BFS Group described in paragraph 44(b) above did not detect the potential risk that customers would be confused by the use of the terms "variable" and "bonus" in connection with the Welcome Rate Offer advertised on the Macquarie Website;

b. the SME review and challenge described in paragraph 44(e) likewise did not identify the potential for customer confusion;

c. the review framework described at paragraphs 44-48 above was not sufficiently prescriptive or rigorous to enable the detection of the potential risk of confusing language; and

d. relevant complaints received from customers did not trigger in a sufficiently timely manner a change to the wording of the Welcome Rate Offer advertised on the Macquarie Website that was sufficient to prevent the risk of customer confusion.

G. BREACH OF SECTION 912A(1)(a)

51. By reason of the matters identified in paragraphs 21 to 50 above, MBL admits that, during the Relevant Period, it breached ss 912A(1)(a) and 912A(5A) of the Corporations Act by failing to do all things necessary to ensure that the financial services covered by its licence were provided efficiently, honestly and fairly in that MBL failed to take necessary steps to ensure that statements on the Macquarie Website about the welcome rate (describing it as a "welcome variable rate" and as a "bonus") were clear and were not apt to cause confusion as to whether the welcome rate applied a margin above the standard stepped variable rate, rather than a fixed rate that applied instead of the standard stepped variable rate for the four-month promotional period (except in circumstances where it was exceeded by MBL's standard stepped variable rate, in which case the welcome rate was increased to match the standard stepped variable rate).

H. OTHER MATTERS

H1 Consumer harm and remediation

52. MBL's conduct may have caused consumer harm in circumstances where consumers may have expected to, but did not receive, the welcome rate in addition to the standard stepped variable rate over the four-month welcome offer period.

53. During the Relevant Period:

a. 37,467 Welcome Rate Savings Accounts were opened with MBL, which represents approximately 66.3% of all MBL Savings Accounts opened during that period; and

b. approximately $17,199 million was deposited into MBL Welcome Rate Savings Accounts, which represents approximately 85.4% of all deposits made into MBL Savings Accounts during that period; and

c. it is not possible to ascertain precisely how many customers or prospective customers saw the Welcome Rate Offer advertisements on the Macquarie Website, but the parties agree that they reached a large number of customers and prospective customers.

54. Following the Further AFCA Determination, between 3 September 2025 and 15 July 2026, MBL remediated 39,566 customers who had opened a Savings Account and accepted the Welcome Rate Offer in the period 1 January 2022 to 19 September 2022 in the amount of $8.8m. This remediation:

a. was applied in respect of 34,884 accounts;

b. included a component for additional interest, so as to maintain a bonus margin that applied between the welcome rate and the standard stepped variable rate as at the date that the Welcome Rate Offer was accepted; and

c. included interest on remediation payments at an actual rate of 10.35%, reflecting the highest RBA cash rate applicable during the relevant period of 4.35%, plus the AFCA recommended interest on interest payment of 6%.

55. MBL made remediation payments to any customer who opened a Savings Account and accepted the Welcome Rate offer in the period 1 January 2022 and 19 September 2022:

c. excluding Welcome Rate accounts where the account holder experienced no financial loss, specifically, where the account's Welcome Rate margin (defined as the difference between the Welcome Rate and the prevailing ongoing variable rate) remained intact for the duration of the Welcome Rate period; and

d. for customers who no longer held an open MBL account, and did not respond to contact attempts, payments were either donated to charity (for amounts less than $500) or remitted to ASIC as unclaimed money (for amounts greater than $500).

H2 Remediation of systems, controls and processes

56. In April 2026 and in response to the matters described in this SAFA, MBL commenced a project directed towards improving the governance, systems, controls, and procedures associated with MBL's processes to create, approve and publish customer facing collateral relating to its Transaction Account and Savings Account products.

57. The work associated with this project has resulted in MBL identifying the following areas for improvement with respect to its Transaction Account and Savings Account products:

    a. **Inconsistent controls over who can request, approve and verify** customer communications which could result in unauthorised or unapproved content being progressed and released, increasing the risk of customer harm and regulatory breaches.

    b. **Inadequate auditability** across the communications lifecycle which could result in an inability to evidence decisions, reviews and approvals, increasing the risk of ineffective oversight and being unable to respond to regulatory requests for documentation.

    c. **Imprecise responsibilities** which could result in inconsistent execution, and an inability to demonstrate effective governance, increasing the risk of customer harm and regulatory breaches.

    d. **Review framework** not sufficiently rigorous, which could result in communications being released without appropriate challenge or oversight, increasing the risk of misleading, non-compliant, or inconsistent customer messaging.

58. MBL has completed an initial program of work to address the areas for improvement with respect to its Transaction Account and Savings Account products. Key components of this program of work have included:

    a. Conducting a review of customer-facing content creation, approval and verification processes.

    b. Designing a target state content and verification framework to provide a consistent, risk-based and auditable approach to the creation, approval, verification and ongoing management of all customer-facing communications.

c. Deploying uplifted tools to review advertising material and client communications against persona groups to provide objective insights, quality scoring, structured feedback and risk recommendations, to reduce the risk of potentially inappropriate customer messaging.

d. Implementing new software to capture a daily, auditable record of public website pages, and a new process utilising that software to detect website changes and capture auditable change verification data in respect of approval steps taken by accountable role/s.

e. Conducting a program of work to enhance public-facing website governance and inform the target state content approval and verification framework, including:

   i. establishing a new governance forum to oversee website content development;
   ii. refreshing content review and approval roles and responsibilities;
   iii. consolidating teams, workflows, and processes for managing public website pages with related creation and/ or refresh of standard operating procedures; and
   iv. uplifting content approval processes to include sequenced approvals and improved governance over change processes.

59. A further program of work to implement a refreshed content approval and verification framework is scheduled for completion in the first half of 2027. Key components of this further program of work include:

    a. mandated refreshed compliance review checklists at the approval and verification stages;

    b. defined approval tiers determined by a range of risk considerations integrated directly into the workflow process;

    c. updated processes governing approvals within DAS, with greater specificity of approvers and reviewers across all classes of content change; and

    d. development of a centralised master statements register for reference by content creators, reviewers and approvers, to support consistency of content validation during the creation and approval lifecycle.

H3 Prior conduct and culture of compliance

60. On 19 April 2024, Justice Wigney of the Federal Court made orders in proceeding NSD241/2022 including declarations that MBL contravened s 912A(l)(a) of the Corporations Act between l May 2016 and 12 March 2019 and ss 912A(1)(a) and 5(A) of the Corporations Act between 13 March 2019 and 15 January 2020, by failing to do all things necessary to ensure that the financial services covered by its financial services licence were provided efficiently, honestly and fairly, as a result of MBL not implementing effective controls to prevent or detect transactions conducted by third parties through MBL's bulk transacting system that were outside the scope of the authority conferred on them that only permitted them to withdraw their fees from their clients' Cash Management Accounts. Wigney J ordered MBL to pay a pecuniary penalty of $10,000,000: *Australian Securities and Investments Commission v Macquarie Bank Ltd* [2024] FCA 416

61. On 20 March 2026, Justice Wheelahan of the Federal Court made orders in proceeding VID1280/2025 including declarations that Macquarie Investment Management Limited (a related party of MBL) contravened ss 912A(l)(a) and (5A) of the Corporations Act between 1 March 2022 and 5 June 2023 by failing to do all things necessary to ensure that the financial services covered by its financial services licence were provided efficiently, honestly and fairly, as a result of Macquarie including classes of investments of the Shield Master Fund on its Macquarie Wrap platform, when it ought to have placed those classes of the Shield Master Fund on a watch list, and subject to: further monitoring action in accordance with the provisions of its Investment Governance Framework, additional reporting, due diligence, performance monitoring or other follow up action: *Australian Securities and Investments Commission v Macquarie Investment Management Ltd* [2026] FCA 303.

H4 Involvement of senior employees

62. The contravening conduct involved personnel at senior levels.

63. In particular, individuals within the BFS division with the following titles were involved in approving some or all of the Welcome Rate Offer advertisements published on the Macquarie Website during the Relevant Period described in paragraph 26 above:

    a. Senior Manager, Marketing;

    b. Senior Manager, Product;

c. Senior Manager, Legal;

d. Associate Director, Marketing;

e. Manager, Marketing;

f. Executive Director, Payments and Deposits; and

g. Division Director, Marketing.

H5 Contravening conduct not deliberate but involved a lack of care

64. The parties agree that MBL's contravening conduct was not deliberate. However, the parties agree that the conduct involved a lack of the appropriate level of care.

H6 Cooperation

65. MBL has engaged constructively with ASIC in advance of this Proceeding being commenced, including by participating in an early engagement meeting with ASIC on 25 September 2025, shortly after ASIC commenced its investigation on 15 August 2025; responding to ASIC's notices served as part of its investigation; remediating customers; making admissions at an early stage in relation to its conduct; acknowledging liability in respect of the admitted contraventions prior to the filing of an originating process; and engaging with ASIC on the preparation of this SAFA. By its conduct, MBL has avoided the need for a contested proceeding on liability and relief.

Date: 10 November 2026

[redacted]

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Signed by Nick Kelton
Solicitor for the Plaintiff

[redacted]

Signed by Matthew McLennan
Deputy Group General Counsel
Legal and Governance Group – Central
Macquarie Group Limited