



Banking and Financial Services

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Macquarie Group Limited

Operational Briefing - 9 Feb 2010

Presentation to Investors and Analysts



Banking and Financial Services (BFS)

Offer integrated banking and wealth management solutions to target client segments and markets

	Australia / NZ focus				International focus			
	Macquarie Direct (Non Advice)	Macquarie Private Wealth (Advice)	Macquarie Adviser Services (Intermediary)	Business Banking (Business)	Macquarie Global Investments (Institutions)	North America	Europe & Asia	BFS Total
AUA¹	▪ \$A4b	▪ \$A37b	▪ \$A46b	▪ \$A8b	▪ \$A7b	▪ \$A14b	▪ <\$A1b	▪ \$A116b
Clients	▪ 122,000	▪ 171,000	▪ 550,000	▪ 16,000	▪ 60	▪ 68,000	▪ 2,000	▪ 930,000 (approx)
Core Offerings	<ul style="list-style-type: none"> ▪ Cash ▪ Credit Cards ▪ On-line Trading 	<ul style="list-style-type: none"> ▪ Full Service Broking ▪ Wealth Management ▪ Private Bank ▪ Strategic Investments 	<ul style="list-style-type: none"> ▪ Cash ▪ Wrap ▪ Insurance ▪ Mortgages ▪ COIN 	<ul style="list-style-type: none"> ▪ Business Banking ▪ Premium Funding 	<ul style="list-style-type: none"> ▪ Investment Lending ▪ Structured product ▪ Agriculture Funds ▪ Funds Management 	<ul style="list-style-type: none"> ▪ Full Service Broking ▪ Wealth Management ▪ Mortgages ▪ Premium Finding 	<ul style="list-style-type: none"> ▪ Wrap UK ▪ Religare Macquarie Private Wealth ▪ Private Wealth Asia 	

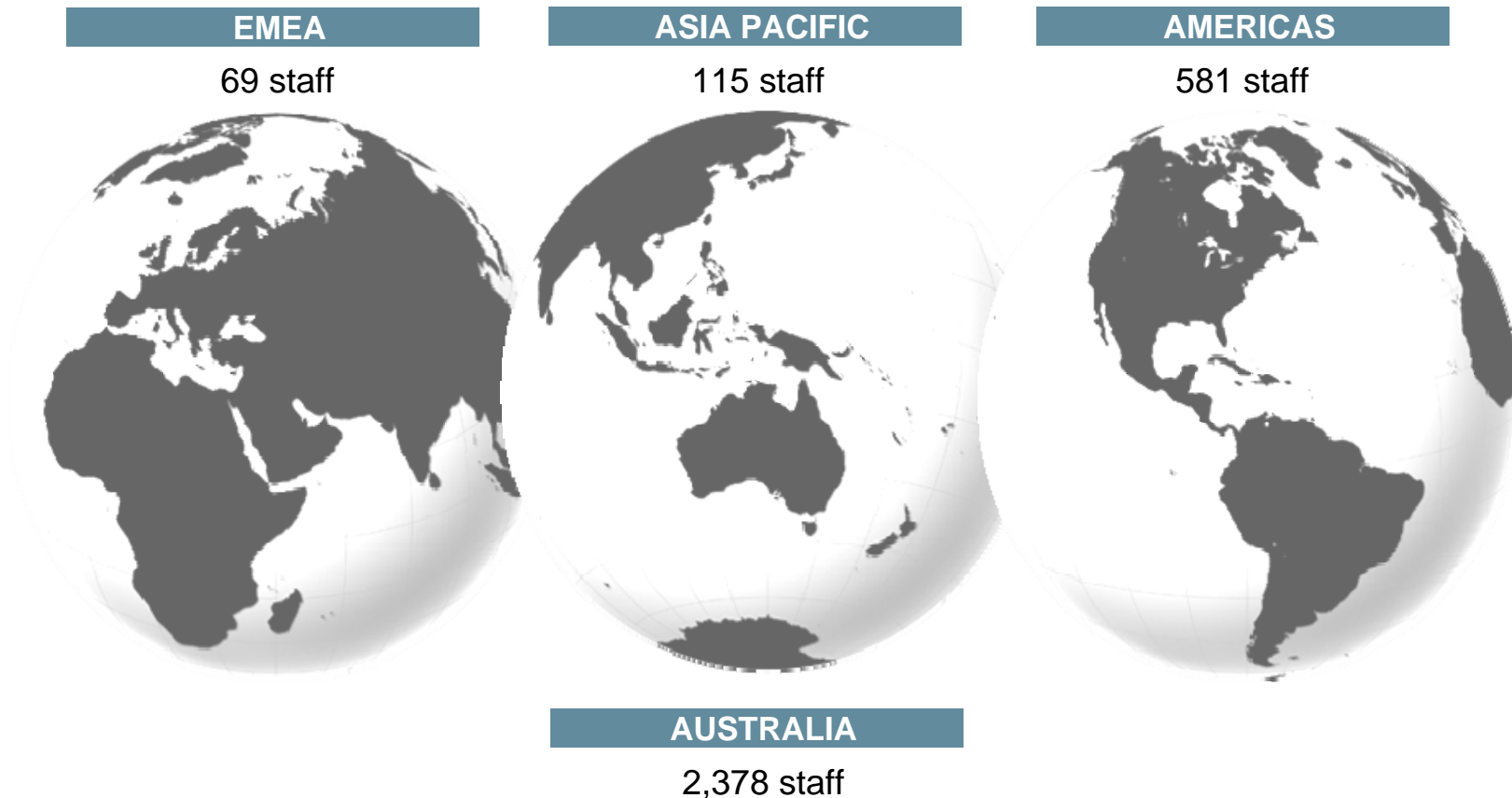
¹ Assets under administration includes assets under management plus items such as funds on BFS platforms (e.g. Wrap FUA), total BFS loan and deposit portfolios, CHESS holdings of BFS clients, and funds under advice (e.g. assets under advice of Macquarie Private Bank). Includes Blackmont Capital acquisition



Global presence

Over 3,100 staff including recent Blackmont acquisition¹

BFS has new businesses in attractive international markets leveraging our core domestic offerings

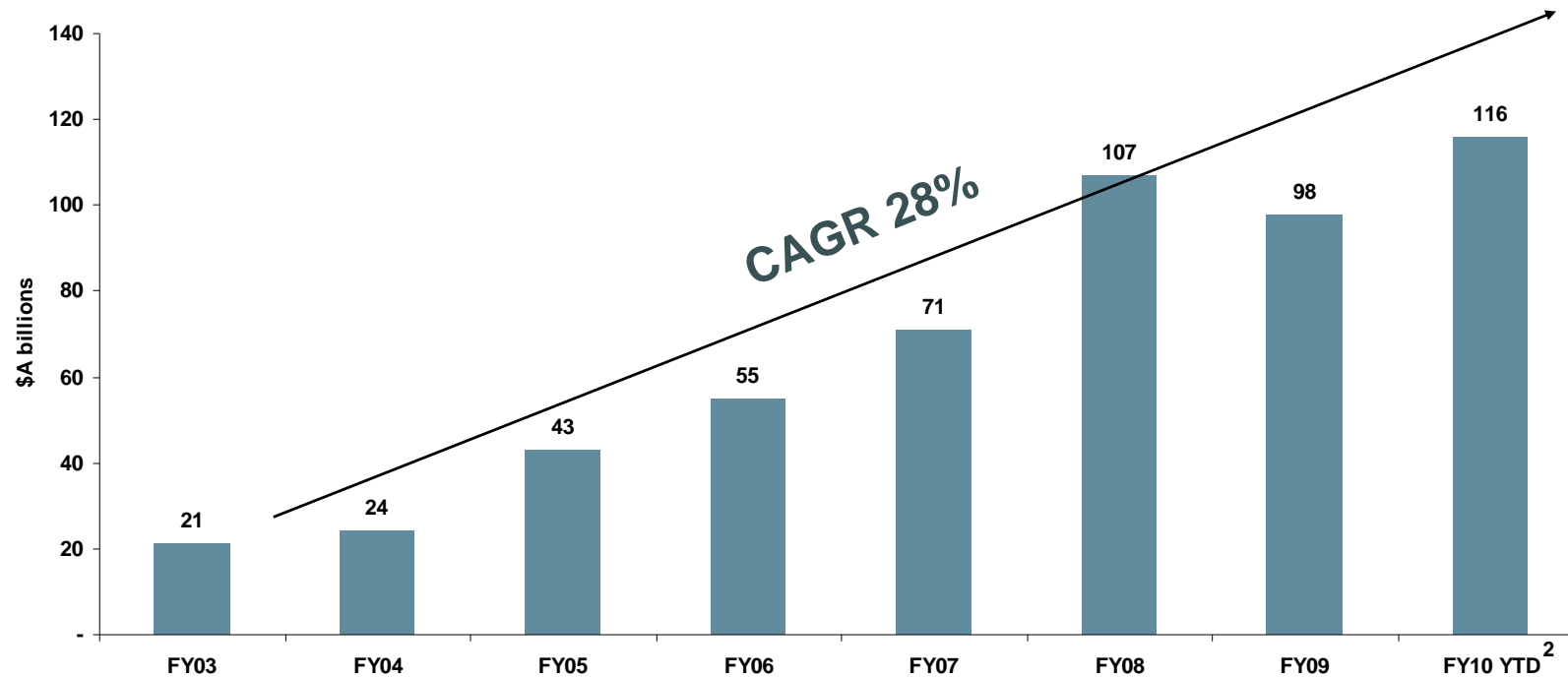


1. Staff numbers at 31 Dec 09, includes 420 staff from Blackmont Capital Inc (closed 31 Jan 09, effective 1 Jan 10)



Our Growth – Assets under administration¹

BFS focus on annuity revenue provides consistency of earnings



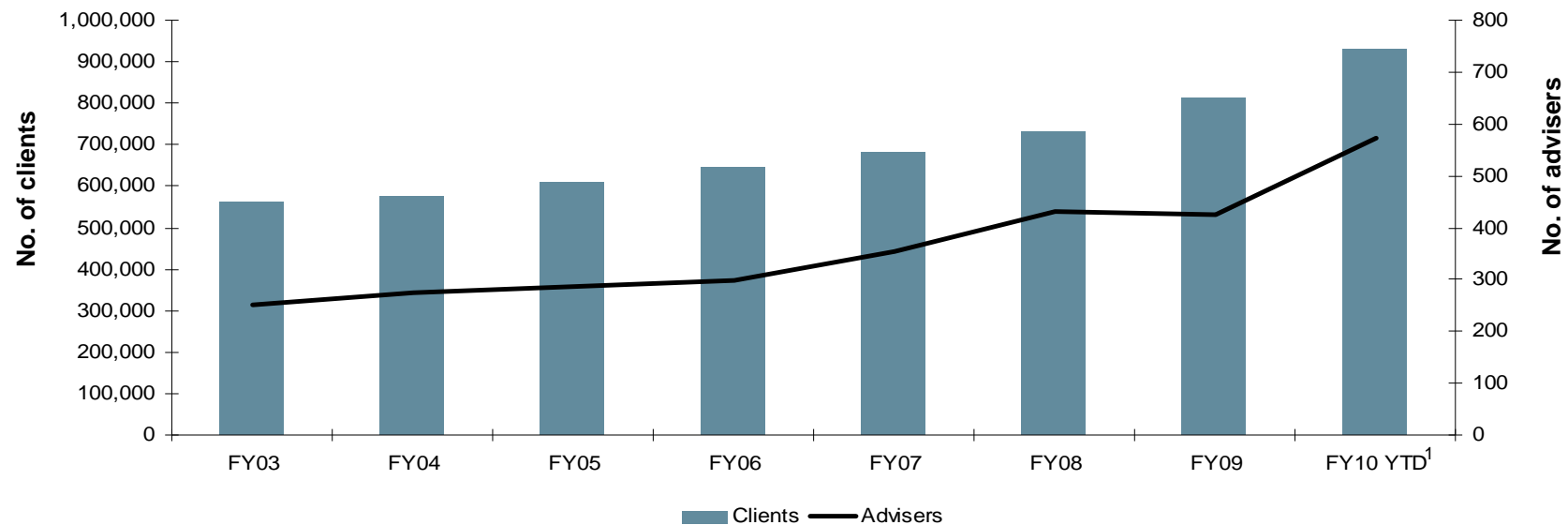
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1. Assets under advice, administration and management. 2. FY10 YTD figure includes Blackmont Capital



Our Growth – Clients and advisors

We service a portfolio of approx 930,000 predominantly high net worth clients that is growing on average 10,000 clients per month



¹ FY10 YTD figure includes Blackmont Capital



Leading products and services

Our leading products remain very competitive and contribute 80% of BFS revenue

- **Wrap**
 - Net inflows and improving equity markets resulted in WRAP FUA growing to \$A22.2b¹, up 23% on pcp and 3% on 2Q10
- **Cash**
 - Total retail deposits of \$A14.5b¹ up 23% on pcp and 4% on 2Q10
 - Cash Management Account launched in Nov 08 now at \$A2.7b¹
- **Full Service Broking**
 - Macquarie Private Wealth remains No.1 retail full service stockbroker in terms of volumes and market share
 - Continue to attract quality advisers from our competitors, over 570 advisers (inc Blackmont)
- **Relationship Banking**
 - Strong growth in deposits² to \$A5.1b¹ up 14% on pcp and 5% on 2Q10
 - Insurance Premium Funding service agreement signed with AON in Canada, the UK and Ireland
- **Mortgages**
 - Launched an enhanced mortgages offering to new clients in Australia and facilitated establishment of new mortgage aggregator group Vow Financial, one of the top five in the country
 - Record origination volumes in Canadian Mortgages – \$C2.4b originated YTD, up 71% on pcp and 3Q10 originations up 16% on 2Q10

1. As at 31 Dec 09. 2. Relationship Banking deposits = average monthly deposits, including house deposits



New businesses

Our investments in new Domestic and International businesses will accelerate our next wave of growth

- **New domestic businesses**

- Macquarie Edge
- Macquarie Life
- Macquarie Pastoral

- **New international businesses**

- Blackmont Capital acquisition
- Canada



Macquarie Edge

Macquarie Edge extends the Macquarie brand reach to capture next generation of self-directed investors

- Launched new online trading platform Macquarie Edge (www.macquarie.com.au/edge) in Aug 09
- Client acquisition strategy targeting self-directed online investors
- Economic and equity market recovery driving strong demand for on-line trading services
- On line equity trading market is growing 26%¹ per annum, currently dominated by CommSec and E*Trade
- Macquarie Edge aiming to acquire 15% of new to market clients
- Named Best Online Trading Service in 2009 AMBER awards and won an Outstanding Achievement Award in the “Brokerage” category of the Interactive Media Awards (IMA)



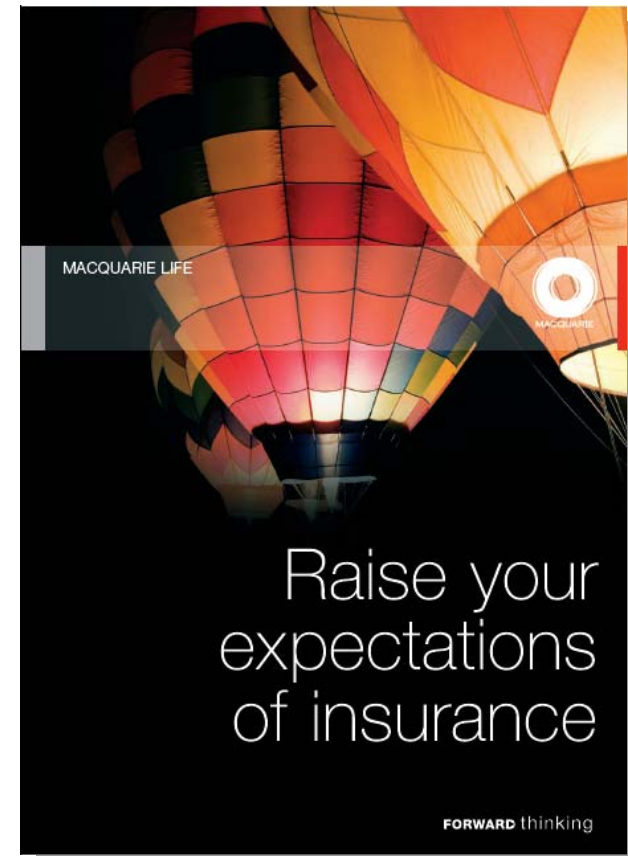
1. IRESS. Online trading volume growth 2005 through 2009



Macquarie Life – Insurance

Macquarie Insurance goal to be a substantial competitor in the Australian life insurance market

- Macquarie Life manufactures products, distributed through the IFA channel
- Aim to broaden distribution by developing alliances with other organisations
- Big opportunity in the insurance market
 - High levels of underinsurance in Australian population
 - Inefficient market lacking in customer service and innovation
- Core FutureWise product launched in Mar 07, now complemented by Sumo and Mortgage Guard
- Strong growth in the three years since launch - \$A50m milestone for annual inforce premiums reached in December
- One of only three "Five Star" insurers based on WA Taylor adviser service satisfaction research in 2008 & 2009





Macquarie Pastoral Fund offers investors the opportunity to directly invest in Australian properties producing beef cattle and sheep

- Launched in Jan 07 and raised over \$A500m FUM¹, up 69% on pcp
- Rising urbanisation and increasing disposable income in Asia is leading a greater demand for meat
- Australia's geographic location to Asia provides an excellent growth opportunity
- Macquarie Pastoral Fund has acquired sixteen properties, including six new properties in 2009
- Awarded Real Asset Manager of the Year in 2009, at the Foundation & Endowment Money Management's Awards
- Other agriculture funds currently under consideration



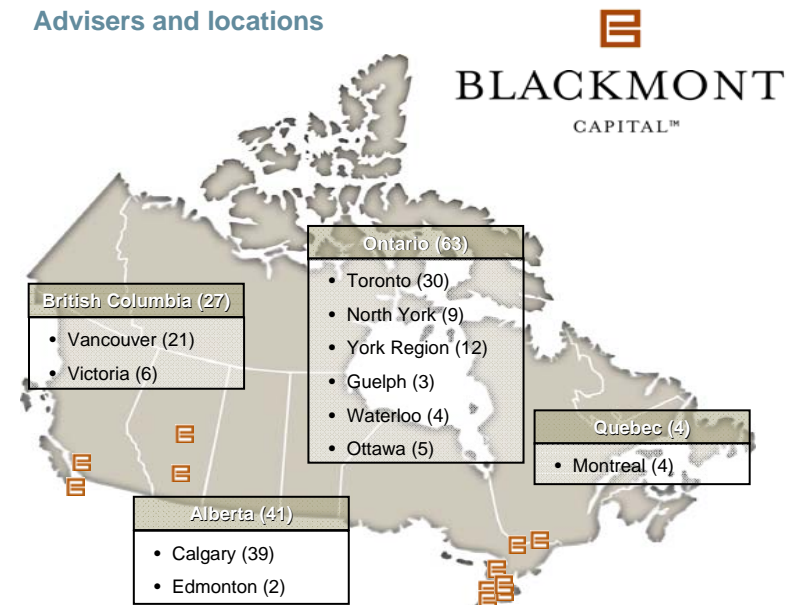


Blackmont Capital

The Blackmont acquisition is another step in BFS's strategy to become a global provider of retail financial services

- The acquisition of Blackmont Capital for \$C93.3m, closed on 31 Dec 09¹
- Blackmont Capital is a full service retail broker with 135 brokers, \$C7.9b² of AUA and 12 offices across Canada
- This retail channel complements other Macquarie businesses in Canada and provides a valuable distribution channel for IPOs, structured products etc
- Significant opportunity for a differentiated, independent client offering in the Canadian market
- Now re-branded as Macquarie Private Wealth

Advisers and locations



1. Closed 31 Dec 09 effective 1 Jan 10. 2. As at 31 Dec 09



BFS is building a wealth management and business banking capability to target segments in the Canadian market

Canada Strategic Priorities

- Pursue our target segments
 - Advice
 - Business
- Blackmont full service retail broking capability delivers our advice offering
- Growth strategy focussed on:
 - Leveraging Macquarie research platform and capital markets franchise to provide a differentiated advice offering
 - Pursue organic and non-organic growth in distribution and advisors
 - Launch new specialised financial products in the Canadian market
 - Build out our business banking capability

North America Business Lines

	Advice		Business	
	Blackmont Capital	Investment Products	Mortgages	Premium Funding
AUA¹	▪ \$C7.9b	▪ Start Up	▪ \$C5.3b ▪ \$US0.9b	▪ \$C0.2b
Clients	▪ 28,000	▪ Start Up	▪ 24,000 (CAN) ▪ 3,000 (US)	▪ 13,000
Core Offerings	▪ Full Service Broking ▪ Wealth Management	▪ Structured Products	▪ Mortgages Canada ▪ Mortgages US	▪ Insurance Premium Funding

1. As at 31 Dec 09



Summary

- Our leading businesses have performed well FY10 YTD
- BFS focus on annuity revenue provides consistency of earnings
- We have a number of start-up businesses in Australia which we are investing in to become our core businesses of tomorrow
- Strong focus on international growth to complement our domestic ambitions:
 - Integration of our acquisition of Blackmont Capital to our current Canadian offerings and pursuing growth in this market
- We continue to invest in attractive opportunities



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