

BFS continued to produce tailored product solutions to support its international businesses. It launched Macquarie EquityPlus in Canada, an investment product tailored for the Canadian retail market. It established an agricultural investment strategy for clients of Macquarie's Indian joint venture, Religare Macquarie Private Wealth. The group also signed a joint venture agreement with Manulife Indonesia to enhance Manulife's tailored insurance marketing processes.

Macquarie Private Wealth Canada increased its adviser numbers by 10 per cent during the year, reaching almost 160 at 31 March 2011. Canadian client assets also grew 18 per cent during the period from \$C8.3 billion to \$C9.8 billion. Macquarie was named No. 1 National Independent Canadian advisory firm and ranked third of all investment advisory firms (Investment Executive Brokerage Report Card 2011).

BFS' global client numbers reached 1.04 million at 31 March 2011, an increase of 40,000, due to organic growth in Australia and Canada.

In November, BFS announced that due to execution challenges and difficult business conditions it did not see a long-term future for its UK wrap platform business. The business will be wound up by June 2011. This decision does not impact Macquarie's other UK retail businesses.

In Australia, Macquarie Private Wealth (MPW) again held the number one position for full-service retail stockbroking based on market share and trading volumes (IRESS, based on consideration traded).

BFS continued to grow its cash business with the transition in August of the \$A9.6 billion Cash Management Trust to the more competitive on-balance sheet Cash Management Account. This saw retail on-balance sheet cash deposits increase from \$A15.5 billion at 31 March 2010 to \$A26.6 billion at 31 March 2011.

Funds under administration in Macquarie Wrap remained flat at \$A22.7 billion but Macquarie Wrap maintained the second highest inflows in the market for the calendar year (Morningstar). In August, Macquarie Mortgages relaunched its loan origination business in Australia.

Macquarie Life inforce risk insurance premiums increased 59 per cent on the prior year. Macquarie Life was ranked third in the NMG Financial Services Consulting satisfaction survey of the top 250 risk advisers in the market and was named the market leader for technology.

Macquarie Life also signed an agreement with Teachers Health Fund for the exclusive distribution and marketing of life insurance products to its 200,000 members.

In November, MPW sold down its 51 per cent holding in OzForex, CanadaForex, UKForex and NZForex to 19.9 per cent. The holding was sold to US-based investors, Accel Partners and The Carlyle Group, to assist the OzForex group of companies in its next stage of growth.

Macquarie Professional Series was named 2010 Standard & Poor's Product Distributor of the Year for the second consecutive year. S&P also named Macquarie Professional Series Manager, Independent Franchise Partners (IFP), as the top International Equities – Developed Markets fund. This is the fourth consecutive year the Macquarie Professional Series has won this award.

Outlook

Subject to market conditions, BFS expects its result for the year ending 31 March 2012 to be broadly in line with the prior year. BFS will continue to explore appropriate opportunities to provide differentiated wealth management solutions.

About Banking and Financial Services Group

BFS is the primary relationship manager for Macquarie's retail client base. The group brings together Macquarie's retail banking and financial services businesses, providing a diverse range of wealth management products and services to intermediaries, professional service industries and clients.

Macquarie Adviser Services

Manages relationships with external financial intermediaries and provides sales services and product management of in-house and external products.

Macquarie Direct

Provides a range of consumer and financial products for 164,000 non-advised clients in Australia.

Macquarie Global Investments

Provides investment products for retail and wholesale investors globally, including the Macquarie Professional Series, Macquarie Private Portfolio Management and the Macquarie Pastoral Fund.

Macquarie Private Wealth

Offers full-service broking, strategic financial planning and private banking services in Australasia. It has a joint venture agreement with Indian financial services company, Religare.

Macquarie Relationship Banking

Provides innovative banking services to successful small to medium sized businesses, professionals and high net-worth individuals.

BFS North America

Responsible for expanding Macquarie Private Wealth Canada into the North American market.