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Media Release

CANADIAN MORTGAGE LENDER CERVUS FINANCIAL ANNOUNCES TRANSITION TO MACQUARIE FINANCIAL BRAND



Company Promotes Innovative Mortgage Products and Benefits of Professional Mortgage Brokers

TORONTO, October 16, 2006 — The Macquarie Group (Macquarie) announced today that Cervus Financial Corp. (Cervus), one of Canada's most dynamic mortgage lenders, has changed its name to Macquarie Financial Ltd. The name change follows the company's recent acquisition by, and successful integration of, the Cervus platform into Macquarie.

Macquarie Financial will continue to offer one of the most competitive, no haggle residential mortgage rates in Canada through a network of professional mortgage brokers. As part of the brand's integration, the company plans to introduce new products and promote the benefits of using a professional mortgage broker. Macquarie Financial encourages a long-term relationship between the mortgage broker and the borrower with a unique trailer fee model that pays out a higher rate than its competitors over the life of the average mortgage and it also rewards renewals on mortgages.

Grant MacKenzie, Chief Executive Officer, Macquarie Financial said, "The Macquarie brand is known around the world for its innovative mortgage products and commitment to promoting the highest standards in the mortgage lending industry. The Macquarie name allows us to compete even more effectively by offering Canadians unique mortgage products that are lower than most posted rates, no haggling and a high level of personal service because unlike many others in the industry, we don't compete with the broker."

"We are particularly committed to providing Canadians with comprehensive information about their mortgages. For example, some Canadians may not be aware of dual pricing strategies where financial institutions typically offer one posted rate through their branches and another often lower rate through their affiliated mortgage broker network. We are strong advocates of using a professional mortgage broker because they can save time, money and the dreaded hassle of negotiating by shopping on behalf of the borrower for the best rate," added Mr. MacKenzie.

Macquarie Financial Ltd. is not an authorized deposit-taking institution for the purposes of the Banking Act (Commonwealth of Australia) 1959, and Macquarie Financial Ltd.'s obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Financial Ltd.

Macquarie Financial sees strong growth potential in the Canadian residential mortgage market which is estimated at C\$725 billion. In addition to being a leading mortgage provider in Australia, Macquarie also provides innovative home loan products in the United States (through Macquarie Mortgages USA Inc.) and Italy (through Macquarie Bank Italia).

Macquarie Executive Director, Mike Barrett, previously Head of Macquarie's Australian mortgage business, has relocated to Toronto as Head of Macquarie's mortgage operations in North America. In this role, he is responsible for integrating the Macquarie brand in Canada and overseeing Macquarie's North American mortgages strategy.

"We've always been interested in the Canadian market and the Cervus acquisition provides us with an opportunity to deliver innovative products to Canadian borrowers. The businesses are very complimentary: we're both broker-focused, we take a long-term approach to the borrower relationship and we're committed to trailer fees for brokers. Macquarie Financial will operate as a Canadian company run by Canadians, but with the competitive advantage of having access to innovative products that Macquarie has successfully introduced in other parts of the world," said Mr. Barrett.

According to Mr. Barrett, the Canadian mortgage market has more in common with Australia than for example in the U.S. Like Australians, Canadians prefer short-term mortgage products, whereas 30-year fixed rate mortgages are more popular in the U.S. In Australia, mortgage brokers account for 35% of the mortgage market and this number is expected to grow to 50% noted Mr. Barrett.

A 2005 report published by the Canadian Institute of Mortgage Brokers and Lenders (CIMBL) showed the Canadian mortgage market has grown on average of 6.4% per year for the past 15 years, with an average growth rate to 9.4% over the last two years. CIMBL expects a growth of 10% this year. Approximately 25% of Canadians used a mortgage broker when purchasing a home, up from 14% two years ago; the rate is higher in British Columbia and Alberta.

About Macquarie Financial Ltd

Macquarie Financial Ltd. is a member of the Macquarie Group and is headquartered in Toronto, with additional offices in Vancouver, Calgary and Montreal. Macquarie Financial has close to 100 employees across Canada.

The Macquarie Group (Macquarie) is a diversified international provider of specialist financial and investment banking services around the world. Headquartered in Sydney, Australia, Macquarie comprises Macquarie Bank Limited (MBL), the leading Australian investment bank and its subsidiaries and affiliates worldwide. Macquarie listed on the Australian Stock Exchange in 1996, and Macquarie now employs 8,900 people in 24 countries.

Since 1992 Macquarie has reported successive years of record profits and consistent growth. Macquarie's approach is driven by a deliberate focus on areas of business where its particular skills and expertise deliver a real advantage for clients. As a result Macquarie has established leading positions in a diverse range of market segments and regions internationally. Technical expertise, strong risk management and an enterprising approach underlie all activities.

Macquarie Bank Limited is a top 15 Australian Stock Exchange listed company with a market capitalization of C\$14.4 billion as at September 30, 2006.

Macquarie Mortgages operates in Australia, the United States and Italy and specializes in the manufacture, distribution, funding and securitization of mortgage solutions.

For more information about Macquarie Financial, visit the website at www.macquariefinancial.com

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