

# ASX RELEASE.

## BELL FINANCIAL GROUP

### ANOTHER STRONG PERFORMANCE WITH 2016 PROFIT BEFORE TAX (UNAUDITED) EXPECTED TO EXCEED \$24m.

**Thursday, 2nd February 2017** – Full year profit before tax (unaudited) attributable to Bell Financial Group shareholders is expected to exceed \$24m, a 9% increase on the previous year. The result reflects a good overall performance with our Full Service Retail Equities Division being the standout.

Group Revenues were up 5% over the year and all business divisions were profitable:

- **Full Service Retail Equities** revenue increased 14% to \$114m, with profit before tax (unaudited) up 61% to \$13m.
- **Third Party Platform**, our 56% owned online broking subsidiary, increased its revenue by 23% to \$12.4m with profit before tax (unaudited) of \$2.0m, a 67% improvement on 2015.
- **Bell Potter Capital** net revenue grew by 20% to \$7.8m. Profit before tax (unaudited) was \$2.1m, up 59%.
- **Institutional and Equity Capital Markets** revenues were down 16% to \$34.3m. Institutional Broking revenue was down 9% to \$11m, and Equity Capital Markets revenues were down 20% to \$23.3m. Profit before tax (unaudited) for the combined businesses was \$7.2m, down 29% on 2015.
- **Futures & Foreign Exchange** revenues were 10% lower at \$12.4m, with profit before tax (unaudited) of \$0.9m, down 59%.

Group overheads increased 4% over the year to \$74m. The increase was a result of higher employment costs, ASX charges, and continued investment in our systems.

Over the course of the year we embarked on a strategic growth programme and as a result:

- We added 44 new Advisers across our Retail, Wholesale, and Equity Capital Markets desks.
- Group Funds under Advice grew by \$6b to \$38b. \$4.4b of the \$38b is made up of \$1.2b in Cash and Fixed Income, \$560m in Superannuation, \$300m in Margin Lending and \$2.3b in our Portfolio Administration Service, generating more than \$24m in recurring revenues, an 11% increase on the previous year. The balance of Funds under Advice (\$34b) is held in CHESS Sponsored Holdings.
- Third Party Platform now has 130,000 client accounts, 101,000 of which are active, and holds \$10.75b in CHESS Sponsored Holdings. The number of contract notes executed during the year increased by 36% over the previous year.

We are encouraged by our progress in 2016, and anticipate the ongoing execution of our growth strategy in 2017.

**ENDS ....**

#### About Bell Financial Group

Bell Financial Group Ltd (ASX:BFG) is an Australian-based provider of stockbroking, investment and financial advisory services to private, institutional and corporate clients. The Group has over 600 employees, operates across thirteen offices in Australia and has offices in London and Hong Kong. Bell Financial Group has a 56.6% holding in Third Party Platform Pty Ltd (Bell Direct), an online stockbroking business.

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