

ASX RELEASE.

BELL FINANCIAL GROUP

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2018 AGM – MANAGING DIRECTOR’S PRESENTATION

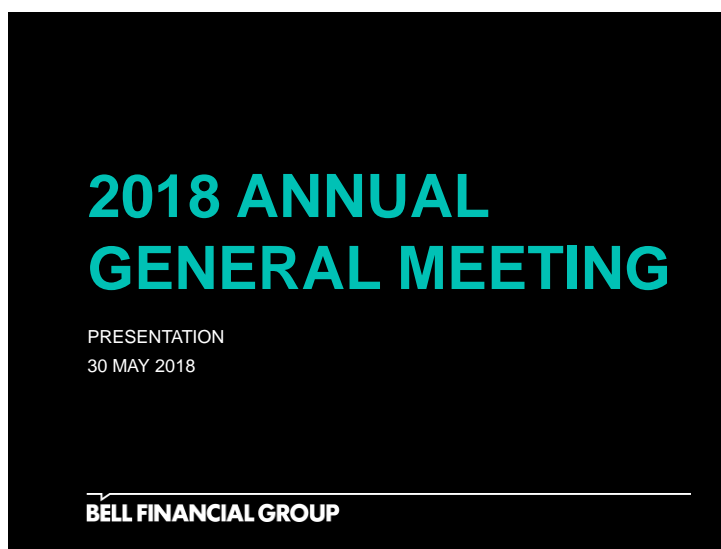
Attached is a copy of the presentation to be given by the Managing Director at Bell Financial Group Limited’s Annual General Meeting today.

Cindy-Jane Lee
General Counsel & Company Secretary

ANNUAL GENERAL MEETING

11.00AM ON WEDNESDAY 30 MAY 2018

MANAGING DIRECTOR'S PRESENTATION



Good morning ladies and gentlemen and welcome to Bell Financial Group's 2018 Annual General Meeting.

I am Alastair Provan, Managing Director of Bell Financial Group. I will be chairing the meeting today as our Chairman, Colin Bell is an apology. He is currently in the United States. As the time is now 11.00am and a quorum is present I am pleased to formally declare the meeting open.

I will now introduce your directors. To my left is Non-Executive Director, Brian Wilson AO. Brian is standing for re-election today and will chair the meeting for the last item of business. Next to Brian are Non-Executive Directors Graham Cubbin, Brenda Shanahan and Craig Coleman.

In addition, we have seated in the front row:

- Cindy-Jane Lee, our General Counsel & Company Secretary,
- Arnie Selvarajah, the CEO of Third Party Platform Pty Ltd, and
- Dean Davenport, our Chief Financial Officer.

Our auditors from KPMG are also in attendance today and are available to take questions.

The last meeting of members was at our AGM on 19 April 2017. The minutes of that meeting have been signed as a correct record and the Company Secretary will make them available to any member who wishes to inspect them.

A Notice of Meeting has been distributed to shareholders setting out the items of business to be considered at today's meeting. I will take that Notice as read.



I will start off today’s meeting by presenting an overview of Bell Financial Group’s performance for 2017.

We will then move on to the formal business of the meeting.

The first item of formal business is the tabling of the Financial Report, Directors’ Report and the Auditor’s Report for the year ended 31 December 2017.

The second item of business is the resolution to re-elect Brian Wilson AO to the Board.

The third item of business is the resolution to adopt the Remuneration Report.

The fourth and final item of business is the resolution for Bell Financial Group to acquire the 43.37% of Third Party Platform Pty Ltd shares that it does not already own, taking the Company’s ownership of Third Party Platform to 100%. I will hand over as Chairman of the meeting to Brian Wilson AO to deal with this last item.

I would like to remind you that recording devices, cameras and mobile phones cannot be used during the meeting.



2018 AGM | 2017 SUMMARY

BELL FINANCIAL GROUP

	2017	2016	% change	
Revenue	\$208.6m	\$186.7m	12%	↑
Profit after tax	\$20.6m	\$16.4m	26%	↑
Earnings per share	7.8cps	6.2cps	26%	↑
Dividend per share (fully franked)	7.5cps	5.5cps	36%	↑
Share Price (31 Dec.)	75.0c	72.5c	3%	↑
PE Multiple (i)	9.7 times	11.8 times	(18%)	↓
Dividend Yield (fully franked) (i)	10%	7.6%	32%	↑
Dividend Yield (Gross) (i)	14.3%	10.8%	32%	↑

(i) Based on 31 December share price

6

2017 was a significant year across the board for Bell Financial Group with strong contributions from Retail Equities, Equity Capital Markets (ECM), Third Party Platform and Bell Potter Capital.

Group revenue of \$208.6 million was 12% higher than 2016.

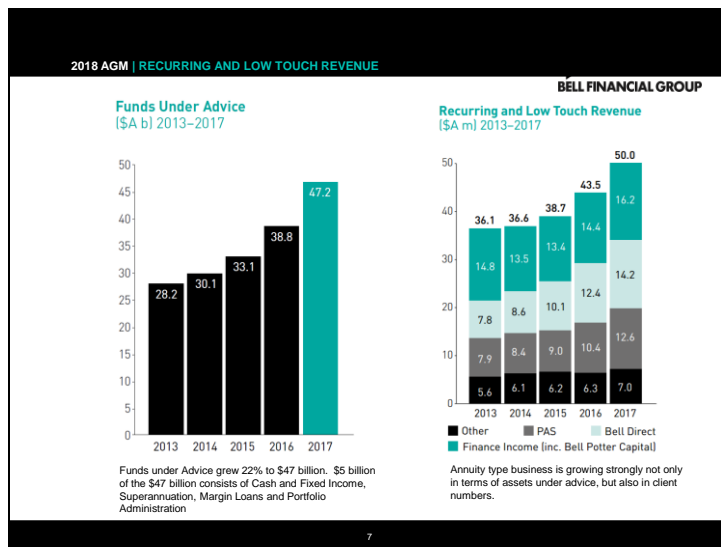
Net profit after tax of \$20.6 million was a 26% improvement on the previous corresponding period (2016: \$16.4 million).

Full year’s earnings were 7.8 cents per share. Based on the closing price at year end of 75 cents per share, we are trading on a single digit price earnings multiple of 9.7 times.

We were able to declare a final fully franked dividend of 5.5 cents per share, taking the full year dividend to 7.5 cents per share, fully franked, 36% higher than the previous year.

Again, based on the 31 December closing share price, this represents a fully franked dividend yield of 10% and a grossed up yield of 14.3% - which I find staggering.

In the last twelve months Funds under Advice grew by 22% to \$47.2 billion. To put that in perspective we currently hold 2-4% of every Top 100 ASX listed company on our HIN.



I think most shareholders have a pretty good understanding of our traditional broking business. However I would like to highlight two areas of the business which I think are perhaps less well understood.

One has made an outstanding contribution to last year's result, and the other is a key growth area for us.

The left hand chart shows our Funds under Advice have increased by 67.5% over a five year period. This has been achieved through a combination of market performance and net new business. By comparison, the ASX 200 Accumulation Index and ASX All Ordinaries Accumulation Index have risen 35% and 36.5% respectively over the same period. So the net new business component of this increase over the period has been significant.

Approximately 10% of these sponsored assets provide some form of recurring revenue stream as demonstrated by the right hand chart, primarily derived from Bell Potter Capital, our Portfolio Administration Service (PAS), our Super Solutions service, Fixed Income and other associated fee income.

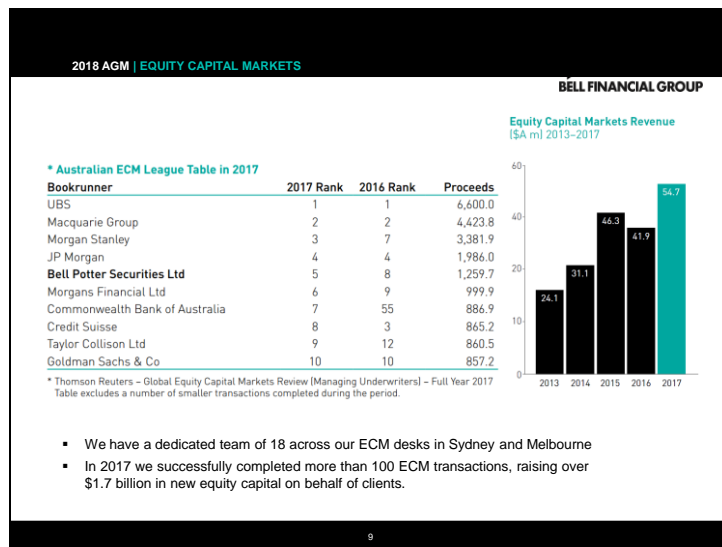
In addition, Bell Direct is a non-traditional low touch broking business, providing the most efficient route to market via our unique proprietary platform for self-executing wholesale and retail clients.

These products and services have grown steadily not only in terms of revenues and Funds Under Advice, but also client numbers.

Our focus on a recurring income and low touch business strategy continues to produce positive results. Combined revenue from the various business units reached \$50 million for the first time, which represents approximately 25% of Group revenues.

While this percentage has been fairly consistent over the past five years, revenue has grown strongly in absolute terms.

This is a growth strategy for us and we will continue to allocate appropriate resources to ensure ongoing success in a very competitive landscape.



Equity Capital Markets (ECM)

We have a dedicated team of 18 across our ECM desks in Sydney and Melbourne.

Our primary focus is deal origination, due diligence, and distribution through our various domestic and offshore institutional and retail dealing desks.

In addition, there are always a number of potential corporate opportunities that arise through our retail network. And we also have a Syndication desk which coordinates the administration and distribution of non-Bell Potter originated deals in which we participate.

In 2017 we successfully completed more than 100 ECM transactions, raising over \$1.7 billion in new equity capital on behalf of our clients.

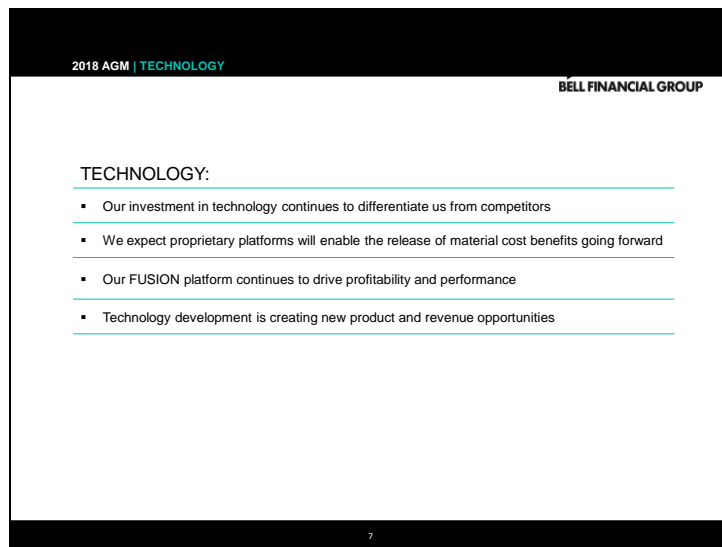
I believe this clearly establishes Bell Potter as the ECM leader in Australia in the Small and Mid-Cap sector in which we operate.

In 2017 we placed fifth overall in the Australian ECM League Table in terms of new money raised, which I think supports my belief in our market positioning.

ECM activity across our network generated \$55 million in gross revenue or 26% of Group revenue.

These two divisions, ECM, Recurring and Low Touch, produced revenues of \$105 million in 2017.

Approximately 50% of total Group gross revenue.



We believe our ongoing investment in technology sets us apart from others in the industry and is critical to our future success.

We have developed, and continue to develop, a complete market leading end to end broking and clearing platform which will provide opportunities to achieve revenue and cost synergies across the entire Group in the near term.

FUSION, our proprietary Bell Potter Securities’ client relationship and compliance platform, continues to evolve. It consolidates our products and services onto one system, providing advisers with efficient access to all relevant client and compliance material via a single access point.

We anticipate that at some stage, opportunities may present to commercialise this in-house intellectual property.

We have a technology team of 57 across the Group comprising programmers, software developers and IT specialists. We regard this as an investment which provides real value and gives us a significant competitive edge. It is an ongoing initiative and one to which we remain fully committed.

Technology is the future of this industry and the future of our Group.

2018 AGM | MARKET UPDATE

BELL FINANCIAL GROUP

MARKET UPDATE:

- A better start to the year than in 2017
- Unaudited revenue for the four months to 30 April was \$63.7 million, 13% ahead on the previous corresponding period (p.c.p.) \$56.2 million
- Unaudited profit before tax attributable to shareholders was \$7.8 million, well ahead on the p.c.p. (\$4.7 million)
- Conditions across all our businesses continue to look reasonable
- We continue to have a strong ECM pipeline
- Our New York office is expected to be open in June
- We anticipate launching a new Model Portfolio Product in the 3rd quarter of this year

8

It has been a good start to the year.

Unaudited revenue for the four months to 30 April is \$63.7 million, 13% ahead of the previous corresponding period.

Unaudited profit before tax is \$7.8 million, well ahead of the \$4.7 million profit before tax for the same period last year.

Business conditions remain encouraging. Secondary market activity is buoyant and we have a strong pipeline of ECM transactions, most of which will hopefully complete during the course of this year.

We are in the final stages of our licence application in the United States and hope to have our New York office operational by 30 June. We already have office space and staff lined up. A New York presence will significantly expand our institutional distribution capability and complement our existing Sydney, Hong Kong and London desks.

We have developed a new in-house Model Portfolio product the Bell Potter Guided Portfolio Service (GPS), which we expect to launch in the third quarter of this financial year. The product will be available to both Third Party Platform and Bell Potter Securities clients.

The only cautionary note I would add is while we are 5 months into the year and to date overall performance has been good, we had an exceptionally strong second half last year. So we will have to keep pedaling hard to match that but we certainly have the people, the products, the platforms, the pipeline, and the clients to do it.

I will now move on to the formal proceedings of the meeting.