

ASX RELEASE.

BELL FINANCIAL GROUP

29 April 2015

ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Via ASX Online

AGM PRESENTATION MATERIALS

We attach a copy of the presentation materials that will be addressed by the Executive Chairman and the Managing Director at Bell Financial Group Limited's Annual General Meeting today.



Cindy-Jane Lee
General Counsel & Company Secretary

ANNUAL GENERAL MEETING

29 April 2015

ANNUAL GENERAL MEETING

Colin Bell

ANNUAL GENERAL MEETING

Alastair Provan

2014 HIGHLIGHTS

- Strong contribution by the ECM division
- Solid growth in the Futures and Foreign Exchange business
- The Bell Direct business continues to grow across all Key Performance Indicators
- Balance Sheet remains solid with \$47m Net Tangible Assets and \$56m cash and cash equivalents
- Bell Potter Securities and Bell Direct both won the AFR Smart Investor Award for Best Full Service Broker and Best Online Broker respectively.

RESULTS SUMMARY FY 2014	2014 \$m	2013 \$m	% change
Equities Execution Revenue	\$75.9	\$85.5	-11%
Equity Capital Markets Revenue	\$31.1	\$24.1	29%
Futures & FX Revenue	\$10.6	\$8.6	23%
Bell Direct Revenue	\$8.6	\$7.8	10%
Margin Lending Revenue	\$11.1	\$12.4	-10%
Portfolio Administration (PAS)	\$11.4	\$10.5	9%
Trail Revenue	\$3.9	\$3.7	5%
Other	\$6.1	\$6.5	-6%
Total Revenues	\$158.7	\$159.1	0%
Profit after tax	\$6.0	\$6.8	-12%
Full Year Dividend	2.0c	2.5c	
Funds under Advice	\$30.1b	\$28.2b	7%

BUSINESS PRIORITIES

- Technology & Compliance
 - Third Party Platform
 - FUSION
 - Other products
- Costs
 - Office rent \$2m p.a. saving

MARKET UPDATE

- A solid start to the year
- First quarter revenue was \$37m, up 14% on the p.c.p
- First quarter profit before tax was \$2.6m a significant improvement on the p.c.p. \$235k profit

ANNUAL GENERAL MEETING

Ordinary Business

BFG reports for year ended 31 December 2014

ANNUAL GENERAL MEETING

Resolution 1

Election of Directors

RESOLUTION 1
ELECTION OF DIRECTORS

Mr Brian Wilson

RESOLUTION 1 ELECTION OF DIRECTORS

Mr Brian Wilson

FOR: 142,504,596

AGAINST: 350,606

OPEN: 186,800

Open in favour of the Chairman: 175,300

ANNUAL GENERAL MEETING

Resolution 2

Adoption of the Remuneration Report

RESOLUTION 2
REMUNERATION REPORT

Adoption of the Remuneration Report

FOR: 140,696,391

AGAINST: 374,528

OPEN: 126,800

BELL FINANCIAL GROUP LIMITED

www.bellfg.com.au

ACN 083 194 763

BELL FINANCIAL GROUP

2015 AGM EXECUTIVE CHAIRMAN'S ADDRESS

The improvement of the second half of calendar 2014 has continued into the first quarter of this year. But the markets are still difficult and investor sentiment is affected by weak commodity prices and high debt levels. Although the outlook for the Australian dollar and interest rates support equity prices, market volumes are still disappointing and that continues to affect our profitability.

Our diversified portfolio of broking businesses, namely full service, online, commodities and FX, as well as portfolio administration, margin lending and cash management, are all profitable but they continue to perform well below their potential. In 2007 our net profits were to the order of \$35 million as compared to the after tax profit of \$6 million we have announced for 2014. It's not surprising that our share price has not recovered and we understand the concern of all shareholders.

Our balance sheet and cash position remains solid with no debt, other than in the margin lending business, and we declared a fully-franked final dividend of 2 cents a share, which was the total payout for the year.

Our Equity Capital Markets division delivered a strong performance on the back of increased corporate activity and that has continued into this year. Our Futures and Foreign Exchange business gained by increasing market penetration. That performance has held up in the first quarter.

Bell Direct, our 51% owned online broking unit, produced an after-tax profit of \$336,000 on revenue of \$8.6 million. This is the second consecutive year of profits since it was established from scratch in 2007.

In 2014, Bell Direct started working with Macquarie Bank to migrate their online clients across to Bell Direct's white label platform and we expect this task to be completed later this year. Bell Direct also has a white label arrangement with HSBC that started in 2012.

Bell Potter is in the front row of the financial services industry; we are the only Australian-owned independent business with a full service offering to institutional clients, corporate clients and our retail investors.

Our research and distribution agreement with Citi has been a success and we are optimistic about how this relationship will develop.

Our share of overall market volume is intact and equities constitutes a significant part of this total investment pool. We are well positioned to benefit when markets return to normal however we would be naïve to expect that will occur just as a matter of course. All things being equal our profitability will improve this year with the realization of cost savings that were initiated a year ago. Our Managing Director Alastair Provan will provide details in his report.

On behalf of the Board, I would like to thank our staff and our shareholders for their contribution and support.

Colin Bell

Executive Chairman

Bell Financial Group

2015 AGM MANAGING DIRECTOR'S ADDRESS

Thank you Colin. Good morning ladies & gentlemen.

I am sure everyone is aware that 2014 was a pretty flat year as far as market returns are concerned. Weakness in resources, energy and the consumer sectors were offset by strength in financials, infrastructure, healthcare and information technology. Interest rates remained low, the Australian dollar was under pressure and the yield thematic strong. The S&P ASX200 rose by a little more than 1% over the course of the year and conditions were challenging.

Against that backdrop the Group delivered a \$6 million after tax profit, \$5.2million of which was generated in the second half of the year and the Board declared a full year fully franked dividend of 2 cents per share.

SLIDE 1

- Strong contribution by the ECM division
- Solid growth in the Futures and Foreign Exchange business
- The Bell Direct business continues to grow across all Key Performance Indicators
- Balance Sheet remains solid with \$47m Net Tangible Assets and \$56m cash and cash equivalents
- Bell Potter Securities and Bell Direct both won the AFR Smart Investor Award for Best Full Service Broker and Best Online Broker respectively.

SLIDE 2.

Execution revenue while reflecting generally lower market turnover was nevertheless disappointing. This was the case for both our retail and wholesale desks and combined revenue was down 11% on the previous year.

Our Equity Capital Markets & Syndication desks either originated or participated in 90 transactions and raised \$1.5 billion in new equity capital generating \$31 million in gross revenue for the division. Almost a 30% improvement on the previous year. This was probably the standout performance within the Group for the year.

Futures & FX also posted strong revenue growth of 23% generating revenue of \$10.6 million. Over the year we added additional brokers to the institutional desk which resulted in wider market coverage and increased turnover.

Bell Direct grew revenue by 10% and posted an after-tax profit of \$336k. A small profit but the second consecutive year it has been on the right side of the line. Its wholesale and retail brands Bell Direct and Desktop Broker are delivered on market leading technology, it has two high quality white labels in Macquarie Bank and HSBC, a growing customer base of 68,000 and approximately \$7 billion in sponsored holdings.

While lower revenues in Margin Lending reflected the cautious approach to market risk taken by investors, it is important to understand the loan book is dynamic. As loans are repaid they are replaced with new business. So while it appears the loan book remains static at around \$175 million, that is actually far from the case. The loan book turns over about five times in a year.

This business continues to be profitable on a standalone basis.

Within Bell Potter we have \$30 billion in sponsored holdings and Funds Under Advice (FUA). Of that \$3.2 billion is held in Bell Potter or Bell Potter badged products and services. Most sit on our Portfolio Administration Service platform which supports \$2.3 billion of client assets and generates \$11.4 million in gross revenue.

As with Margin Lending this business is profitable on a standalone basis.

Trails / Other – Cash, managed products, interest income etc.

Profit after tax \$6 million, fully franked dividend 2 cents.

SLIDE 3.

Technology

We think technology is vital to staying competitive in today's client servicing market.

We have made a significant investment in technology and have a number of proprietary projects at various stages of delivery and development which will not only keep us at the leading edge but will also deliver significant cost savings.

You are aware of Third Party Platform which remains the only fully integrated front, middle and back office platform of its type in the Australian market. This platform not only supports Bell Direct's retail and wholesale business but has also been successfully marketed externally through white label solutions.

We have developed and rolled out internally a desktop software package for our advisers which we call FUSION. FUSION is essentially an efficiency tool to help advisers run and grow their business, most importantly manage their compliance obligations and provide a superior service for clients. We think this product is unique in the marketplace.

We are working on two major projects, one is close to beta testing the other in early stage development, which when completed will both deliver significant cost savings across the Group.

We think all these products can eventually be marketed externally and provide an additional revenue stream for the Group.

Costs

We continually monitor our cost structure to ensure it is appropriate not only for current business levels but also allows us to take advantage of improved market conditions.

Due to the renegotiation of several office leases, including Melbourne and Perth, and the expiry of a legacy lease in Sydney we expect to achieve recurring cost savings of \$2 million p.a. on our office rental overhead. We have already achieved about half of that.

SLIDE 4.

Market Update

Despite January being quiet we were confident, given our Capital Markets pipeline and the generally better market performance, the trend established in the second half of 2014 would carry over into 2015. And so far it has.

First quarter revenue of \$37 million was up \$4.5 million or 14% on the previous corresponding period. And profit before tax of \$2.6 million was a considerable improvement on the \$235k in the first quarter of 2014.

This year investor sentiment has improved, the A\$ remains low as do interest rates. Our Corporate pipeline is still strong and all divisions are currently profitable.

Trading conditions are encouraging.