

BELL FINANCIAL GROUP (ASX:BFG)

2020 FULL YEAR RESULTS

Australian owned, we provide traditional stockbroking, investment and financial advisory services to private, institutional and corporate clients.

A developer of proprietary technology, platforms, products and services for the Australian stockbroking market.

17 FEBRUARY 2021

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KEY HIGHLIGHTS

KEY HIGHLIGHTS

Revenue

\$299.3m

18% increase on 2019

Profit After Tax

\$46.7 m

44% increase on 2019

Funds Under Advice

\$63.9b

9% increase on 2019

Earnings Per Share

14.6¢ share

44% increase on 2019

Dividend Per Share

10.5¢ share

31% increase on 2019

Return on Equity

29%

32% increase on 2019

- Full year revenue \$299.3 million, up 18% on the previous corresponding period (p.c.p).
- Full year profit after tax \$46.7 million, up 44% on the p.c.p.
- Funds Under Advice increased 9%, compared with the S&P/ASX200 benchmark down 1.5%.
- Earnings per Share 14.6 cents, up 44% on 2019.
- 10.5 cents fully franked Dividend per Share, up 31% on 2019 (4 cps interim, 6.5 cps final).
- Our strategy is one of continuous investment in proprietary platforms and technology and in-house products and services. The benefits are real and measurable, with revenue up 13% y.o.y. to \$70 million. This now represents 23% of Group revenue.
- A strong cash backed Balance Sheet with no core debt.
- Third Party Platform commenced clearing for a pilot group of Bell Potter Securities clients.

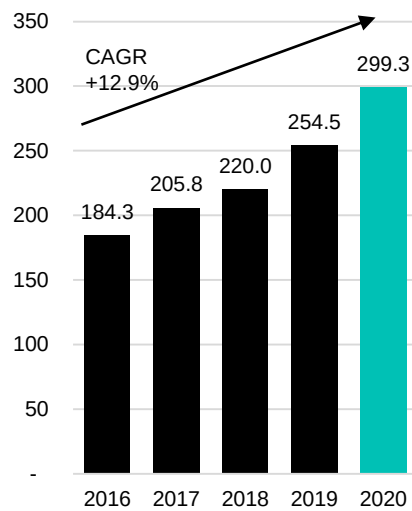
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FINANCIAL SUMMARY FY 2020

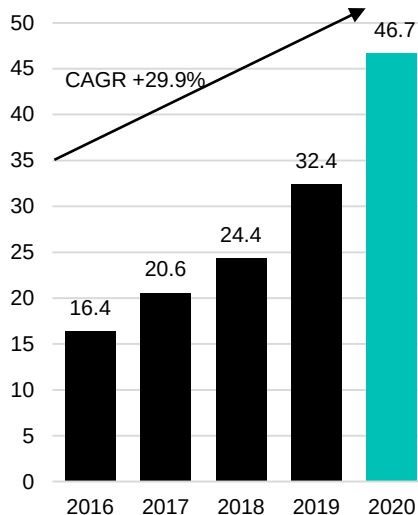
FINANCIAL SUMMARY

Consistent growth in Revenue and Earnings over an extended period.

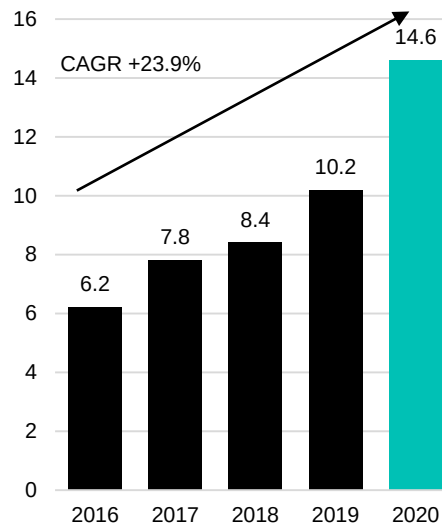
REVENUE (\$M)



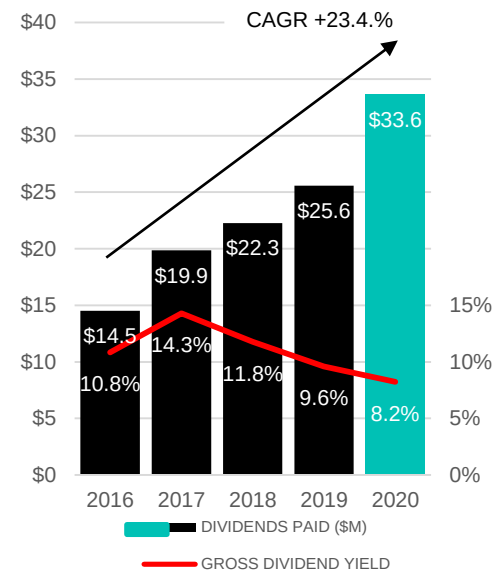
NPAT (\$M)



EARNINGS PER SHARE (CENTS)



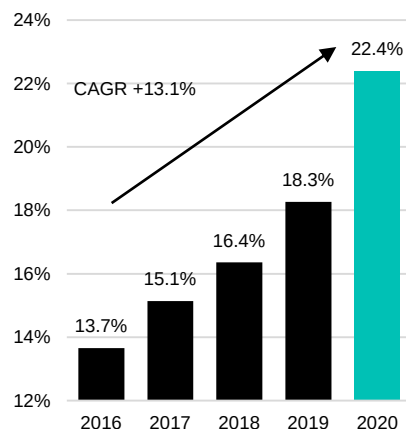
DIVIDEND PAID (\$M) AND GROSS DIVIDEND YIELD (%)



FINANCIAL SUMMARY (CONT.)

We have a solid cash-backed balance sheet with no core operating debt

EBIT MARGIN

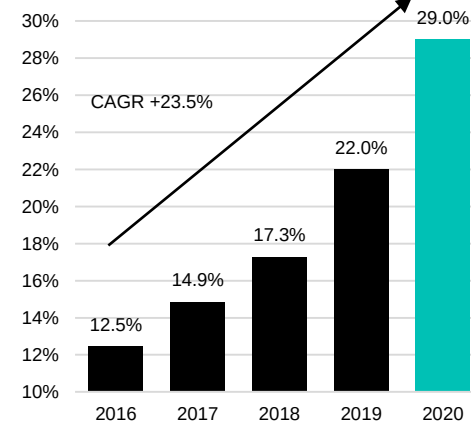


BFG SHARE PRICE MOVEMENT

January 2016 – December 2020



RETURN ON EQUITY



BALANCE SHEET

As at 31 December 2020

	\$M
Cash	139.7
Net assets	230.9
Net tangible assets	86.8

A strong cash-backed Balance Sheet with no core debt, and \$139.7 million net cash at 31 December.

Calculations are based on the BFG Share Price as at 31 December 2020: \$1.82

Market capitalisation	\$584m
EV/EBITDA multiple ¹	6.5x
Dividend yield (gross) ²	8.2%
Price earnings ratio (PE) ³	12.5x

¹ based on 12 month EBITDA to 31 December 2020, and BFG share price at 31 December 2020

² based on interim 2020 dividend paid and final 2020 dividend payable, divided by BFG share price at 31 December 2020

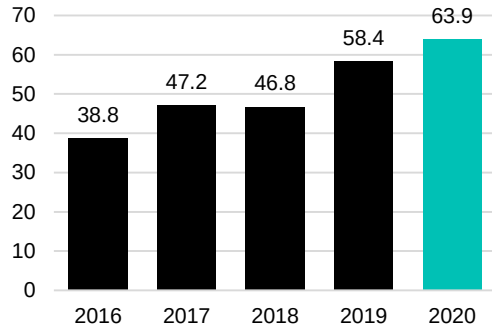
³ based on market capitalisation at 31 December 2020 and 12 month earnings to 31 December 2020

FINANCIAL SUMMARY (CONT.)

GROUP FUNDS UNDER ADVICE AS AT 31 DECEMBER 2020

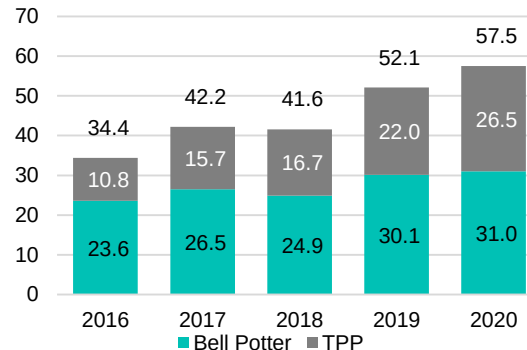
FUNDS UNDER ADVICE (\$B)*

9% increase on 2019



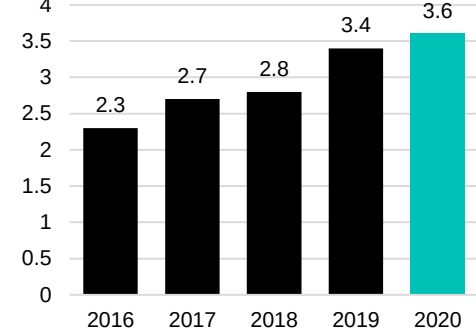
CHESS SPONSORED HOLDINGS (\$B)

10% increase on 2019



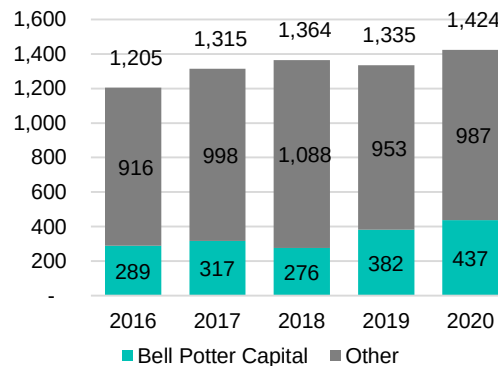
PAS (\$B)

6% increase on 2019



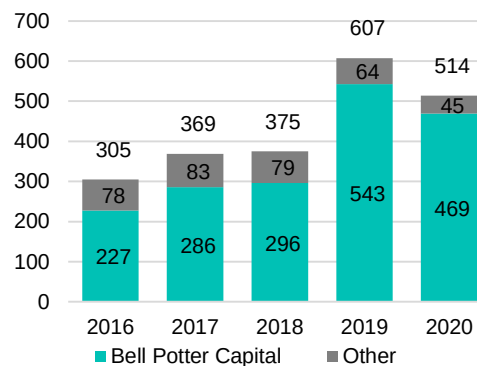
CASH DEPOSITS (\$M) *

Bell Potter Capital 14% increase on 2019



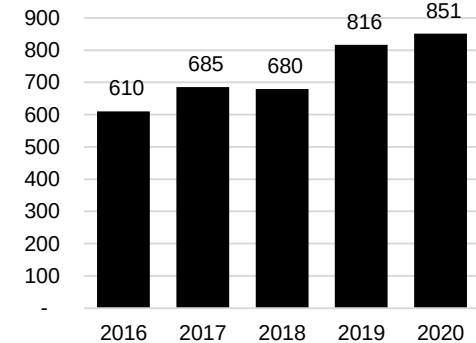
MARGIN LOANS (\$M)*

Bell Potter Capital 14% decrease on 2019



SUPERANNUATION ASSETS (\$M)*

4% increase on 2019



- FUA up on average 9% for the 12 months to 31 December 2020 versus the S&P/ASX200 benchmark down 1.5% over the same period.
- Client deleveraging has resulted in a reduction in the margin loan book and a similar increase in cash deposits.

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OUR OPERATING DIVISIONS

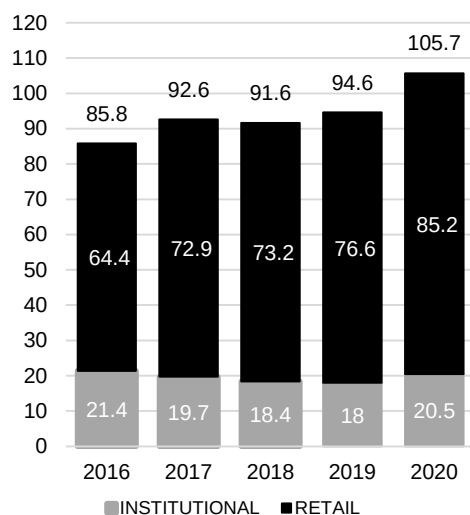
CORPORATE STRUCTURE & BUSINESS UNITS

BROKING RETAIL & INSTITUTIONAL	TECHNOLOGY & PLATFORMS	PRODUCTS & SERVICES
BELL POTTER	THIRD PARTY PLATFORM	BELL POTTER CAPITAL
– Retail Equities (Domestic & International) – Institutional Equities – 24-hour Futures & FX Desk – Syndication – Equity Capital Markets (ECM)	Five distinct business units operate within Third Party Platform: 1.  Institutional & Financial Planners online share trading 2.  Private Client online share trading platform 3.    White label online share trading platform 4.  Third Party Clearing 5. Technology – Continuous development of proprietary software applications for TPP and the wider BFG Group.	– Margin Lending – Structured Loan Products – Cash Accounts – Portfolio Administration Service (PAS) – Superannuation – Equities Research – Guided Portfolio Service

BROKING – RETAIL & INSTITUTIONAL

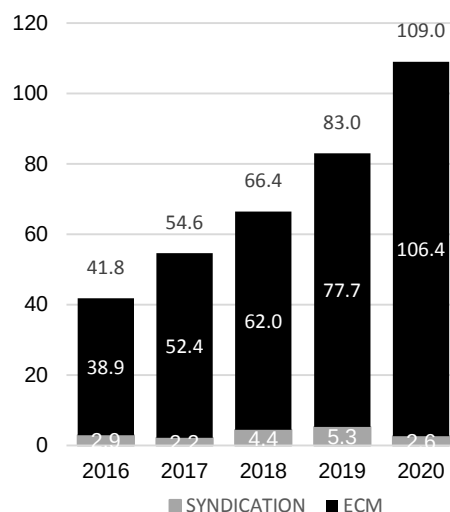


**BROKERAGE REVENUE
(RETAIL & INSTITUTIONAL) (\$M)**



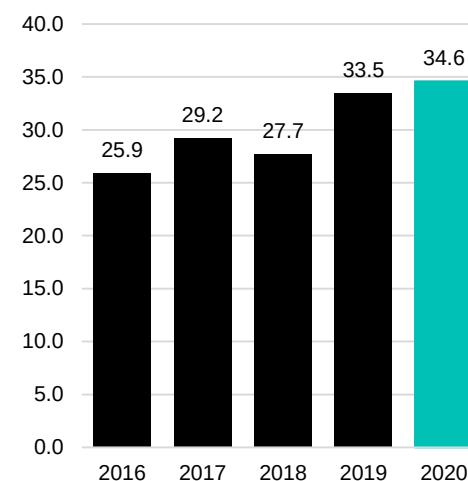
- 325 Financial Advisers servicing retail, wholesale and institutional client accounts.
- \$105.7 million gross brokerage revenue, up 11.7% on the p.c.p.

**ECM AND SYNDICATION
REVENUE (\$M)**



- Successfully executed 109 transactions across 2020.
- Raised in excess of \$3.4 billion in new equity capital.
- \$109 million in fee income, up 31.4% on the p.c.p.

SPONSORED HOLDINGS (\$B)



- \$34.6 billion in Sponsored Holdings at 31 December 2020.
- Consistent growth over an extended period.

BROKING – RETAIL & INSTITUTIONAL EQUITY CAPITAL MARKETS AND SYNDICATION



Our ECM division and Syndication desk had an outstanding year.

Bell Potter successfully raised over \$3.4 billion across 109 capital market transactions during 2020.

ECM ACTIVITY BY DEAL VALUE (\$M)

Rank	Company	Deal value (\$m)
1	UBS	8,053
2	Macquarie	7,890
3	Goldman Sachs	6,991
4	JP Morgan	4,784
5	Citi	4,663
* 6	Bell Potter	2,503
7	Morgan Stanley	2,356
8	Bank of America	2,325
9	Canaccord	2,097
10	Credit Suisse	1,992

Source 1: Refinitiv 2020 - Global Equity Capital Markets Review

* Excludes Syndication transactions.

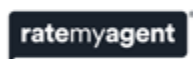
BROKING – RETAIL & INSTITUTIONAL

EQUITY CAPITAL MARKETS AND SYNDICATION

 \$70.0m Placement Lead Manager IT January 2020	 \$146.0m Placement Lead Manager Resources January 2020	 \$10.7m Placement Lead Manager Resources February 2020	 \$1.0m Placement Lead Manager Resources February 2020	 \$25.0 Placement Joint Lead Manager Auto equipment March 2020	 \$12.0m Placement Lead Manager Social media March 2020	 \$35.0m Placement Lead Manager Healthcare April 2020
 \$2.0m Placement Lead Manager Resources April 2020	 \$15.0m Placement Joint Lead Manager Healthcare April 2020	 \$28.0m Placement & \$7.0m underwritten SPP Joint Lead Manager Health Care April 2020	 \$10.0m Placement Lead Manager Resources April 2020	 \$31.2m Joint Lead Manager Resources April 2020	 \$12.0m Joint Lead Manager Pharmaceuticals April 2020	 \$10.0m Placement Lead Manager Social media April 2020
 \$7.2m Placement Lead Manager Pharmaceuticals April 2020	 \$11.0m ANREO Lead Manager Consumer May 2020	 \$7.5m Placement Lead Manager Consumer May 2020	 \$3.6m Placement Joint Lead Manager Resources May 2020	 \$19.0m Lead Manager Pharmaceuticals May 2020	 \$138m Placement Lead Manager Biotechnology May 2020	 \$18.0m Placement & SPP Lead Manager Energy May 2020
 \$15.0m Placement Joint Lead Manager Consumer May 2020	 \$231.0m ANREO Joint Lead Manager Resources May 2020	 \$31.2m Placement Joint Lead Manager Resources May 2020	 \$26.2m Placement Lead Manager Healthcare May 2020	 \$4.0m Lead Manager Resources May 2020	 \$1.1m Lead Manager Consumer May 2020	 \$6.5m Placement Joint Lead Manager Health Care May 2020

BROKING – RETAIL & INSTITUTIONAL

EQUITY CAPITAL MARKETS AND SYNDICATION

 Kyckr \$8.0m Placement Lead Manager Technology May 2020	 CORE LITHIUM \$6.0m Placement Joint Lead Manager Resources May 2020	 coziron \$5.0m Placement Lead Manager Resources June 2020	 4DMedical \$60.0m IPO Joint Lead Manager Pharmaceuticals June 2020	 Aeris \$40.0m Placement + AREO Joint Lead Manager Resources June 2020	 PEARL GLOBAL \$5.0m Placement Lead Manager Technology June 2020	 AROA \$45.0m IPO Joint Lead Manager Pharmaceuticals June 2020
 AFT \$73.8m Placement Joint Lead Manager Pharmaceuticals June 2020	 EMVISION \$9.0m Placement Lead Manager Healthcare July 2020	 LAYBUY \$80.0m IPO Joint Lead Manager Financial Services July 2020	 ike GPS \$18.4m Placement Lead Manager Technology July 2020	 BWX \$40.0m Placement Lead Manager Consumer goods July 2020	 DevEx RESOURCES \$5.5m Placement Joint Lead Manager Resources July 2020	 LBT INNOVATION \$8.4m Joint Lead Manager Technology July 2020
 ARDIDEN \$3.5m Placement Lead Manager Resources July 2020	 S2 Resources \$7.75m Placement Lead Manager Resources July 2020	 Plenti \$50.0m IPO Joint Lead Manager Financial Services August 2020	 bubs \$32.0m Placement & SPP Joint Lead Manager Consumer August 2020	 XTEK LTD \$9.2m Placement Lead Manager Technology August 2020	 ratemyagent \$10.0m Placement Lead Manager Technology August 2020	 ai media \$66.0m IPO Joint Lead Manager Technology August 2020
 PainChek \$10.0m Placement Joint Lead Manager Healthcare August 2020	 Coronado \$250.0m Placement Joint Lead Manager August 2020	 SIHAYO GOLD LIMITED \$32.0 Placement & Rights Joint Lead Manager August 2020	 creditclear \$15.0m IPO Lead Manager Financial Services September 2020	 DGO GOLD \$28.5m Placement Joint Lead Manager Resources September 2020	 BCI MINERALS LIMITED \$48.0 ANREO Joint Lead Manager September 2020	 POINTS BELL \$351.0m Placement & AREO Joint Lead Manager Gaming September 2020

BROKING – RETAIL & INSTITUTIONAL EQUITY CAPITAL MARKETS AND SYNDICATION



 \$45.0m Placement Lead Manager <i>Biotechnology</i> September 2020	 \$120.0m Placement Lead Manager <i>Agriculture</i> September 2020	 \$15.0m Placement & SPP Lead Manager September 2020	 \$43.8m Placement Joint Lead Manager <i>Fleet management</i> September 2020	 \$55.0m Placement & ANREO Lead Manager <i>Biotechnology</i> October 2020	 \$7.5m Placement Lead Manager <i>Metals and Mining</i> October 2020	 \$70.0m IPO Joint Lead Manager and Underwriter <i>Consumer Services</i> October 2020
 \$12.5m Placement Joint Lead Manager <i>Metals and Mining</i> October 2020	 \$10.0m Placement Lead Manager <i>IT hardware</i> October 2020	 \$30.0m IPO Joint Lead Manager and Underwriter <i>EduTech</i> October 2020	 \$131.4m Joint Lead Manager <i>Healthcare</i> October 2020	 \$25.0m ANREO Lead Manager <i>Biotechnology</i> October 2020	 \$100.0m Placement Joint Lead Manager October 2020	 \$5.4m Placement Joint Lead Manager <i>Resources</i> October 2020
 \$102.0m IPO Lead Manager and Underwriter <i>Med Tech</i> October 2020	 \$7.0m Placement Lead Manager <i>IT hardware</i> October 2020	 \$29.7m Placement Co-manager <i>Technology</i> October 2020	 \$5.4m Placement Joint Lead Manager <i>Metals and Mining</i> October 2020	 \$6.3m Placement Lead Manager <i>Biotechnology</i> November 2020	 \$13.0m Placement Lead Manager <i>Technology</i> November 2020	 \$8.7m Placement and Rights Joint Lead Manager and Underwriter <i>Healthcare tech</i> November 2020
 \$32.8m Placement Lead Manager <i>Construction and Engineering</i> November 2020	 \$32.8m Placement Lead Manager <i>Capital markets</i> November 2020	 \$19.0m Two Tranche Placement Lead Manager <i>Technology</i> November 2020	 \$5.0m Placement Lead Manager <i>Technology</i> November 2020	 \$29.5m Placement Lead Manager <i>Biotechnology</i> November 2020	 \$30.0m Placement Joint Lead Manager and Underwriter <i>Software</i> November 2020	 \$8.4m Placement Joint Lead Manager <i>Resources</i> November 2020

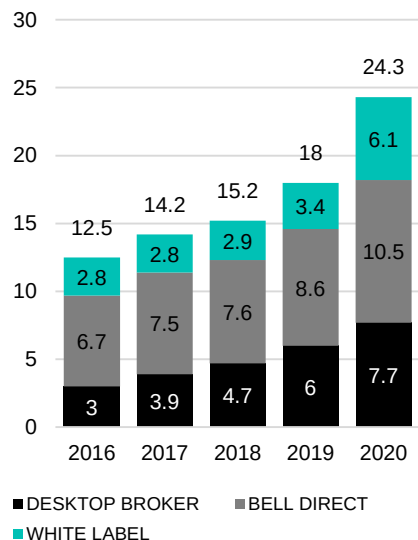
BROKING – RETAIL & INSTITUTIONAL EQUITY CAPITAL MARKETS AND SYNDICATION

 \$11.9m IPO Lead Manager <i>Construction Tech</i> November 2020	 \$401.0m Placement & ANREO Joint Lead Manager and Underwriter <i>Food products</i> November 2020	 \$60.0m Placement Lead Manager <i>Insurance</i> November 2020	CETTIRE \$65.0m IPO Lead Manager and Underwriter <i>Consumer Services</i> November 2020	 \$45.0m Placement Joint Lead Manager <i>Consumer Finance</i> December 2020	 \$5.0m Placement Joint Lead Manager <i>Metals and Mining</i> December 2020	 \$110.0m Placement & SPP Joint Lead Manager <i>Metals and Mining</i> December 2020
 \$35.0m IPO Joint Lead Manager <i>Pharmaceuticals</i> December 2020	 \$7.0m Placement Joint Lead Manager <i>Resources</i> December 2020	 \$18.4m IPO Lead Manager and Underwriter <i>Financial Services</i> December 2020	 \$25.0m Placement Lead Manager <i>Pharmaceuticals</i> December 2020	 \$8.0m Placement Lead Manager <i>Retailing</i> December 2020	 \$9.9m Placement and Rights Lead Manager <i>Biotechnology</i> December 2020	 \$364.0m ANREO Joint Lead Manager and Underwriter <i>Resources</i> December 2020

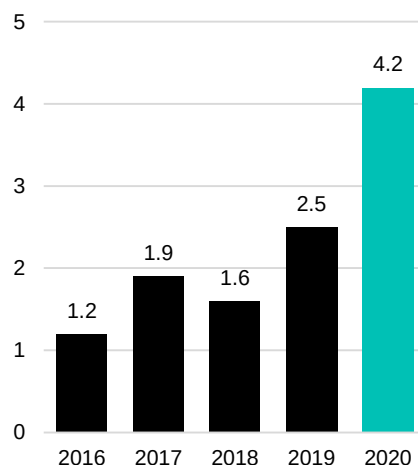
Consistent growth in revenue, profit, sponsored holdings and client accounts over an extended period.

- \$26.5 billion in Sponsored Holdings.
- 207,000 client accounts.
- Strong revenue growth across all three brands – Desktop Broker, White label and Bell Direct.
- General Clearing Participant status attained in 2020. Commenced clearing for a pilot programme of BPS clients.
- HSBC Online agreement renewed for 3 years.

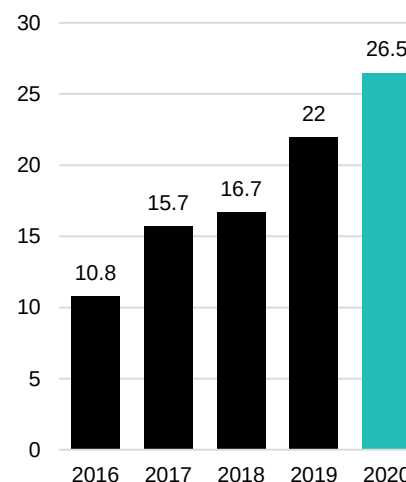
REVENUE (\$M)



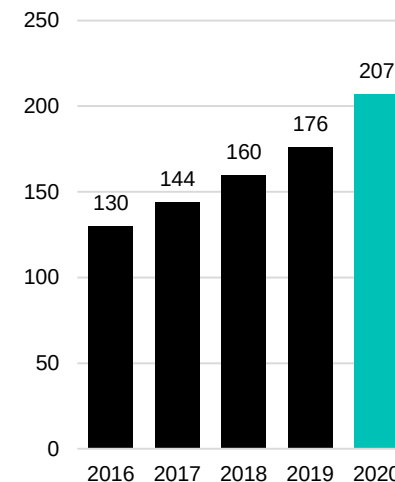
PROFIT AFTER TAX (\$M)



SPONSORED HOLDINGS (\$B)



CLIENT ACCOUNTS ('000)



TECHNOLOGY & PLATFORMS (CONT.)

THIRD PARTY PLATFORM

Third Party Platform operates five distinct businesses:

Bell Direct

Provides execution and clearing services to the Financial Planning industry. Desktop Broker has agreements with over 3,200 Financial Planners, servicing more than 42,000 clients.



Desktop Broker

Our proprietary online retail broking business has won numerous industry awards including 'Investment Trends' Highest Overall Client Satisfaction' award from 2013-2019. This business services more than 55,000 retail clients.



White Label Online Broking

TPP's turn key online broking solution. Current clients include Macquarie, HSBC and Bell Potter Online.



Third Party Clearing

TPP is an ASX General Participant and is preparing to provide third party clearing services to the Australian stockbroking industry. TPP is currently clearing for a pilot programme of Bell Potter Securities clients, and we expect to start clearing for external clients in 2021.



Technology

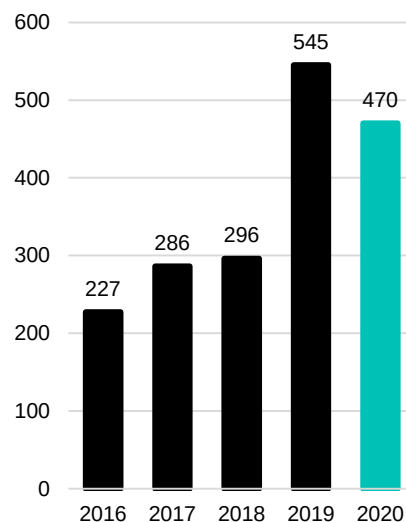
Continuous development of proprietary software applications for TPP and the wider BFG Group. We anticipate this will lead to third party distribution opportunities in the future.



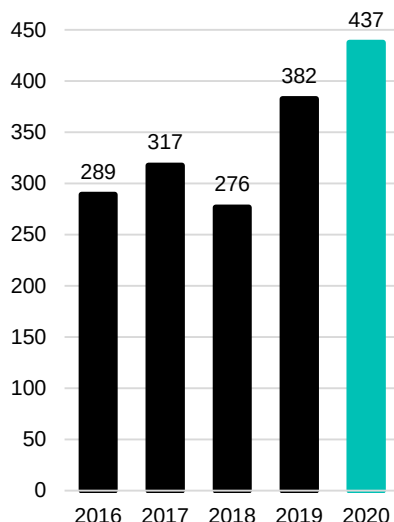
PRODUCTS & SERVICES

- The only non-bank margin lender in the Australian marketplace
- Consistent revenue and earnings growth
- \$470 million loan book YTD December 2020.
- \$437 million cash book YTD December 2020.
- Conservatively managed with an average LVR of 26% across the loan book
- \$14.8 million net revenue YTD December 2020.

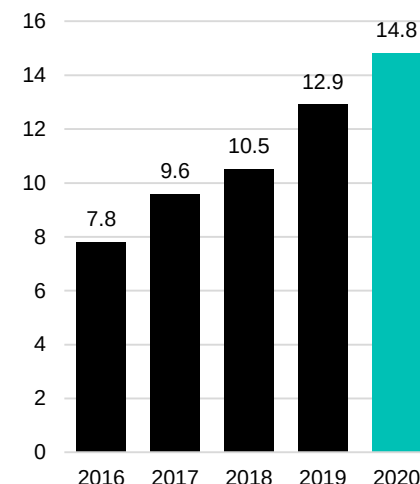
LOAN BOOK (\$M)



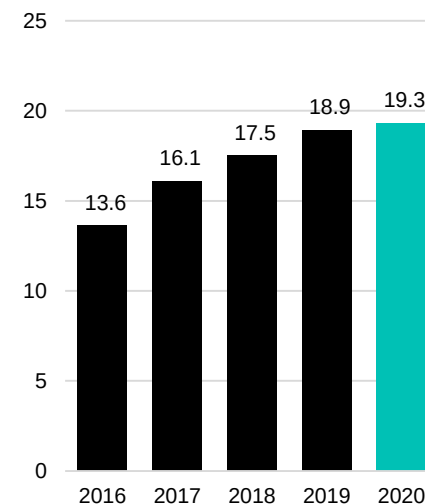
CASH BOOK (\$M)*



**REVENUE (\$M)
MARGIN LENDING & CASH**



**REVENUE
PAS & SUPER SOLUTIONS (\$M)**



* Client deleveraging has resulted in a reduction in the margin lending book and a similar increase in cash deposits.

4

OUR STRATEGY

GROWTH THROUGH INVESTMENT IN PROPRIETARY TECHNOLOGY, PLATFORMS, PRODUCTS & SERVICES

We have a simple strategy. Growth through our traditional full service broking businesses augmented by investment in leading edge technology through our ongoing commitment to the continuous development of our proprietary systems and platforms and suite of products and services.

Our investment in technology, platforms, products and services benefits not only our internal broking businesses, it has broader application for third parties in the Australian financial services and broking market.

SYSTEMS & PLATFORMS



- **FUSION** – In-house desktop application covering all aspects of adviser day-to-day functions



- **IQ** – Price discovery and trade execution platform.

THIRD PARTY PLATFORM

- **TPP** – our market leading fully integrated online trading platform

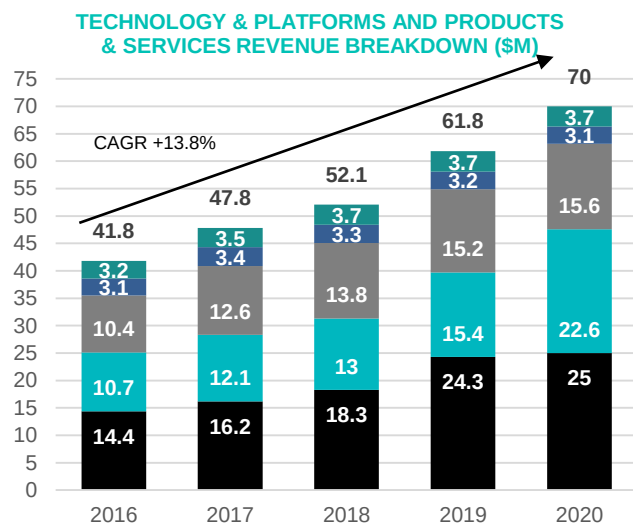
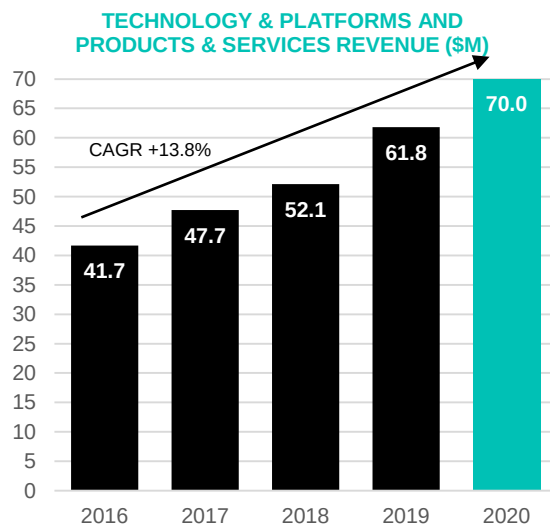
PRODUCTS & SERVICES

- **BELL POTTER PORTFOLIO ADMINISTRATION SERVICE (PAS)**
- **BELL POTTER PERSONAL SUPERANNUATION SOLUTIONS**
- **BELL FINANCIAL TRUST**
- **BELL POTTER PORTFOLIO LENDING**
- **BELL GEARED EQUITIES INVESTMENT**
- **BELL EQUITY LEVER**

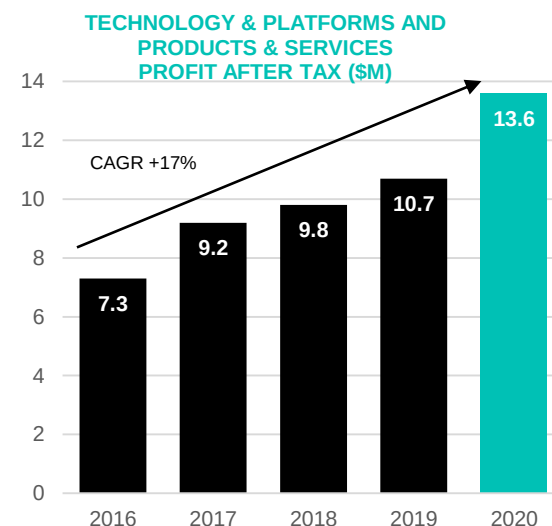
GROWING RECURRING REVENUE STREAMS

Investment in technology platforms, products and services is a significant component of our ongoing business development. Increased leverage to technology is producing better outcomes for our staff and clients resulting in material growth in revenues and profit across the Group.

- Approximately 10% of Group FUA, \$6.4 billion, currently use our various technology and platforms, products and services.
- Recurring revenue streams of \$70 million for the 12 months to 31 December 2020, 13.3% higher than previous corresponding period.
- Recurring revenues represent approximately 23.4% of total revenue.
- Recurring profit after tax of \$13.6 million for the 12 months to 31 December 2020 has grown 26.6% y.o.y., and represents almost 29% of total profit.



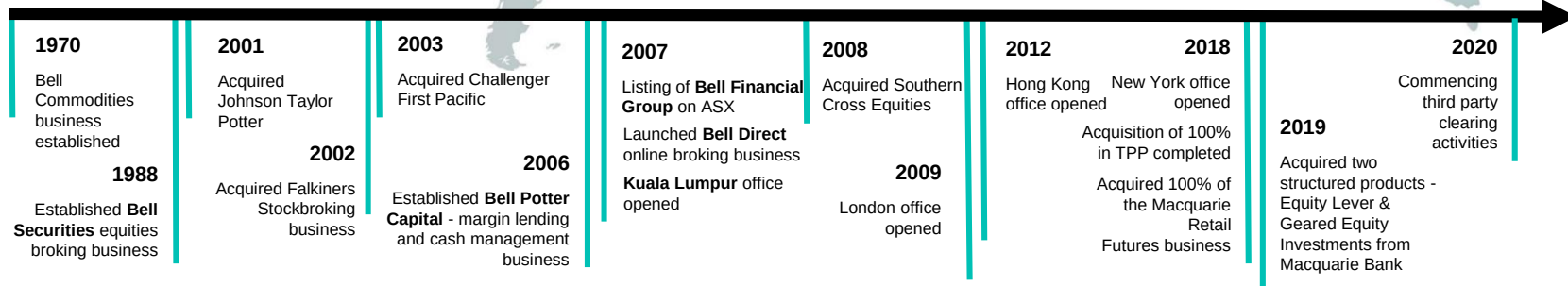
■ Super
 ■ Other
 ■ PAS
 ■ Online share trading platform
 ■ Margin Lending, cash & structured loan products



ABOUT BELL FINANCIAL GROUP

Established in 1970 and publicly listed in 2007, Bell Financial Group is an Australian owned provider of stockbroking (full service and online) and investment and financial advisory services to private, institutional and corporate clients.

- 14 offices across Australia plus offices in London, New York, Hong Kong and Kuala Lumpur
- 730 staff including 325 Financial Advisers



ABOUT BELL FINANCIAL GROUP

Professional board with deep industry understanding.

A deliberately flat management structure that is experienced, stable and has a substantial shareholding in the business

BELL FINANCIAL GROUP BOARD

Alastair Provan
Executive Chairman
+35 years' industry
experience

Craig Coleman
Non-Executive Director
+30 years' industry
experience
(Retired February 2021)

Graham Cubbin
Non-Executive Director
+18 years' industry
experience

Brian Wilson AO
Non-Executive Director
+40 years' industry
experience

Christine Feldmanis
Non-Executive Director
+30 years' industry
experience

SENIOR MANAGEMENT

Alastair Provan
Executive Chairman
+35 years' industry
experience

Andrew Bell
BPS Director
+40 years' industry
experience

Lewis Bell
BPS Director
+35 years' industry
experience

Dean Davenport
Group COO & CFO
+25 years' industry
experience

Arnie Selvarajah
BPS Director &
CEO of TPP
+27 years' industry
experience

Dean Surkitt
BPS Director &
Managing Director of
Retail Equities
+34 years' industry
experience

James Unger
BPS Director &
Head of ECM
+25 years' industry
experience

Rowan Fell
Director & CEO
Bell Potter Capital
+36 years' industry
experience

Brendan Goff
Group Head of Compliance
+20 years' industry
experience

James Gordon
Head of Australian
Institutional Broking
+26 years' industry
experience

Geoff Louw
Head of Futures & FX
+40 years' industry
experience
(Retired February 2021)

Cindy-Jane Lee
Group General Counsel &
Company Secretary
+20 years' industry
experience

Lee Muco
COO of TPP
+21 years' industry
experience

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