

COL 1Q17 INVESTOR PRESENTATION

PICKING THE RIGHT INVESTMENT WITH COL FUND SOURCE



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THE 2016 COL MARKET BRIEFING
JANUARY 25, 2016 | MONDAY
12:00 PM | PEONY ROOM, SUMMER PALACE
EDSA SHANGRI-LA HOTEL

Learn straight from the COL experts in an exclusive Q&A session.

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“ Remember that the key to financial freedom is to **SAVE, INVEST** and **REINVEST.** ”

- Edward Lee
Founder and Chairman



Highlights

Company Overview

Financial & Operating Highlights

Growth Plans



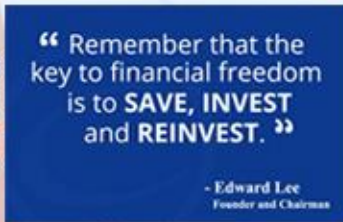
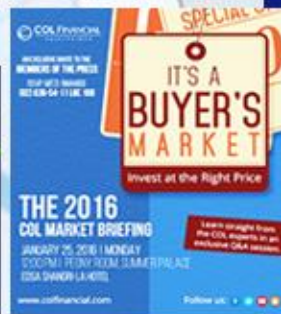
Company Overview

Established and licensed by the SEC in 1999

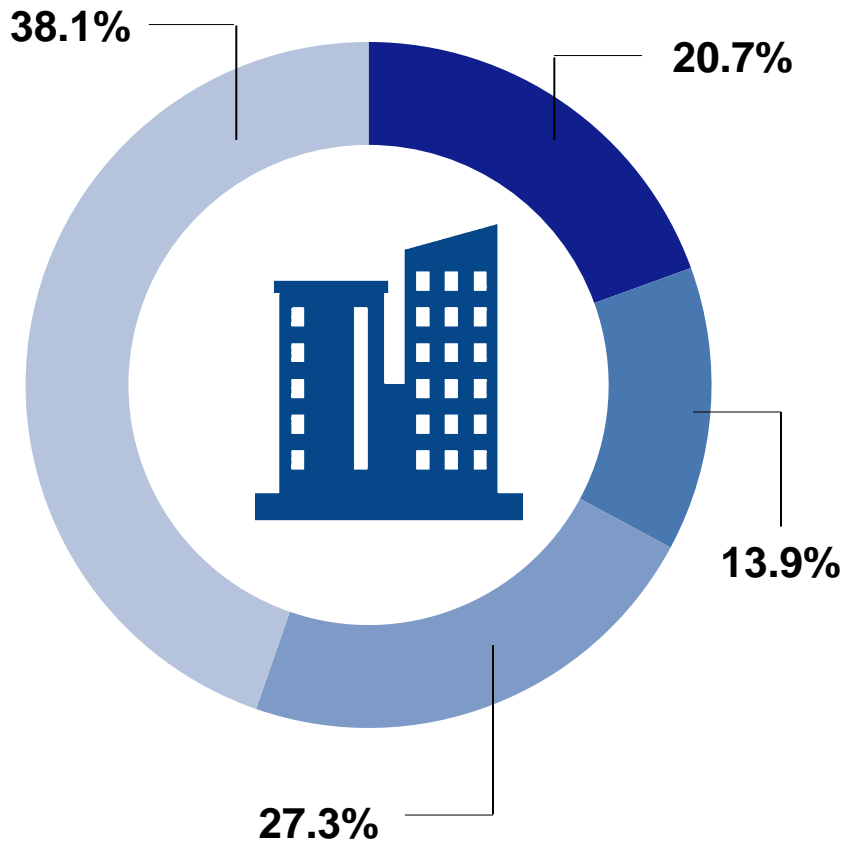
The leading and fastest-growing online stockbroker in the Philippines

Focused on tapping the underserved retail investor base in the stock market

Founder (Edward K. Lee) retains a 20.7% stake and actively manages the Company

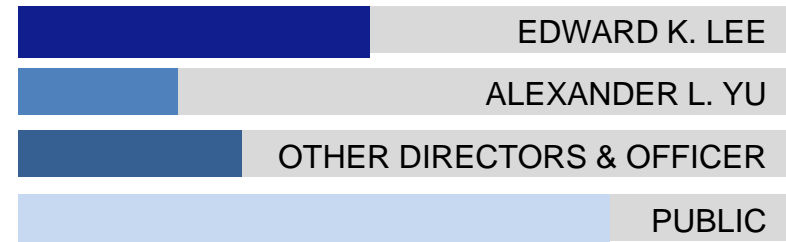


Ownership Structure




OUTSTANDING SHARES	476.0Mil
FREE FLOAT	181.5Mil
MARKET CAP*	Php7.7Bil

*AS OF END MARCH 2017



Business Objective

 To be the preferred source of financial services, a trusted provider of guidance and investment and a strong organization committed to delivering great value to its customers.

 Our goal is to be
**Champion of the
Filipino Investor**

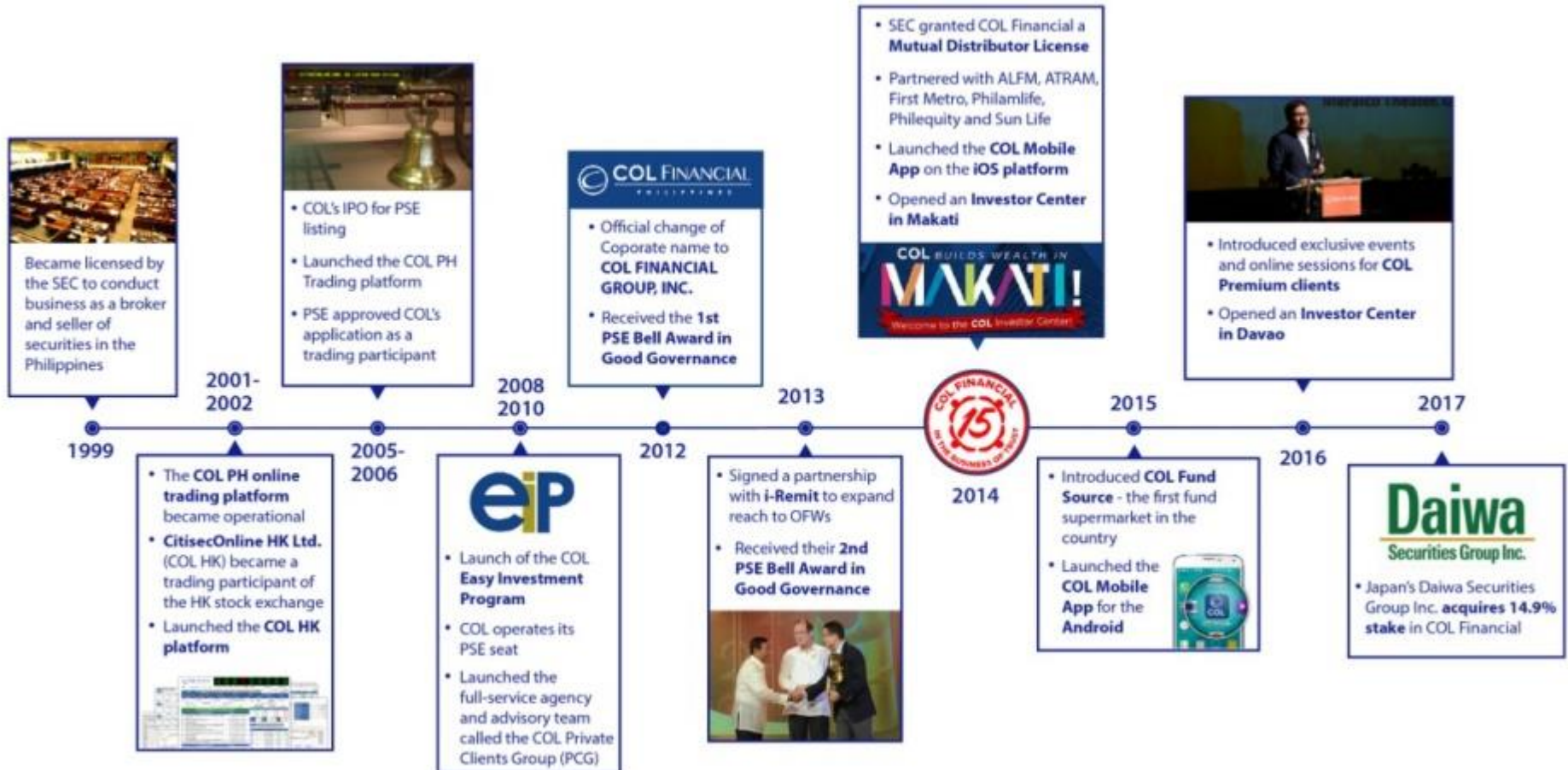


Among the Biggest Philippine-Based Brokers

1Q17 Rank	Broker Name	1Q17 Value Turnover (PhpBil)	% of Total
1	UBS Securities Philippines Inc.	80.62	9.2%
2	CLSA Philippines, Inc.	78.20	9.0%
3	Deutsche Regis Partners Inc.	70.91	8.1%
4	COL Financial Group, Inc.	50.50	5.8%
5	Credit Suisse Securities (Phil), Inc.	49.23	5.6%
6	Macquarie Capital Securities (Phil), Inc.	47.53	5.4%
7	Philippine Equity Partners, Inc.	42.82	4.9%
8	Maybank ATR Kim Eng Securities, Inc.	39.04	4.5%
9	J.P. Morgan Securities Philippines, Inc.	32.97	3.8%
10	BPI Securities Corp.	30.33	3.5%

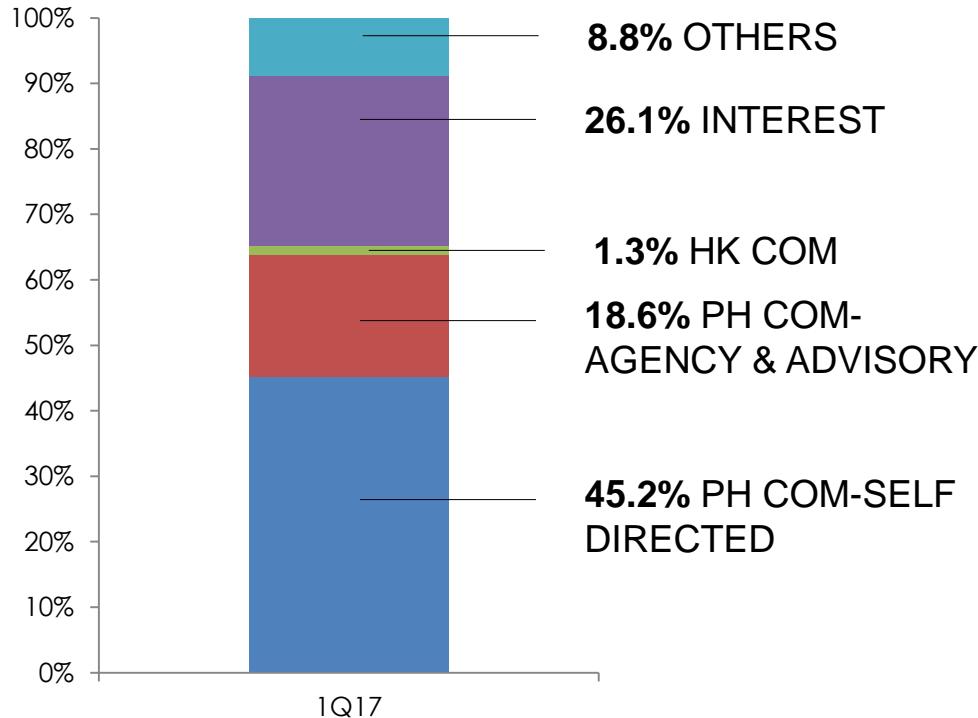
SOURCE: PSE

Corporate Milestones



Bulk of Revenues Generated From Philippine Operations

REVENUE BREAKDOWN



COL's Philippine operations account for 98.7% of revenues.

Commissions from both Philippines and HK account for 65.2% of revenues.

Interest income from margin loans and cash accounts for 26.1% of revenues.

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Growth Plans



Key Highlights

Positive

- Profits +41.9%
- Philippine business (stock trading & fund distribution) grew faster than the industry
- Broker ranking improved to #4
- Margin lending increased
- HK revenues rebounded
- Balance sheet remained healthy
- Strong growth in new accounts & client equity

Negative

- Agency business weakened

1Q17 Net Income +41.9%

1Q17 net income increased by 41.9% to Php100.2 Mil.

Consolidated revenues increased by 24.7% Y/Y, largely driven by the 17.7% growth in commission revenues and the booking of Php18.7 Mil in other income.

Operating profits jumped 40.0% to Php130.9 Mil due to strong revenue growth and as operating expenses increased by a slower 6.2% largely due to the 10.5% drop in commission expenses.

CONSOLIDATED INCOME STATEMENT (IN PHP MIL)

	1Q16	1Q17	Change	
			Amount	%
Income				
Commissions	118.2	139.2	21.0	17.7%
Interest	52.1	55.6	3.5	6.8%
Other income	1.0	18.7	17.7	1799.7%
Total	171.3	213.6	42.2	24.7%
Expenses				
Commission expenses	20.9	18.7	(2.2)	-10.5%
Personnel costs	19.0	19.7	0.8	4.1%
Professional fees	7.6	9.0	1.5	19.5%
Stock exch. dues & fees	5.2	6.1	0.9	17.5%
Communication	7.4	8.1	0.7	10.0%
Rentals & utilities	5.0	5.5	0.5	9.1%
Depreciation	4.3	5.6	1.3	29.8%
Advertising & marketing	1.5	1.9	0.4	29.9%
Others	7.0	8.0	1.0	13.9%
Total	77.8	82.6	4.9	6.2%
PRE-TAX INCOME	93.6	130.9	37.4	40.0%
TAXES	23.0	30.8	7.8	34.1%
NET INCOME	70.6	100.2	29.6	41.9%

Total Expenses

+6.2%

Total expenses increased by 6.2%.

The slower increase was largely due to the 10.5% drop in commission expenses to Php18.7 Mil which accounted for 22.6% of total expenses.

Recurring expenses increased by 11.9%, still slower than the 24.7% improvement in revenues.

The increase in recurring expenses was largely driven by the growth in professional fees (+19.5%), depreciation cost (+29.8%) and advertising and marketing expenses (+29.9%), in line with efforts to improve service to our growing customer base.

BREAKDOWN OF EXPENSES (IN PHP MIL)

	1Q16	1Q17	Change	
			Amount	%
Trading Related Expenses				
Commission expenses	20.9	18.7	(2.2)	-10.5%
Stock exch. dues & fees	5.2	6.1	0.9	17.5%
Total	26.0	24.8	(1.3)	-4.9%
Fixed Operating Costs				
Personnel costs	19.0	19.7	0.8	4.1%
Professional fees	7.6	9.0	1.5	19.5%
Communication	7.4	8.1	0.7	10.0%
Rentals & utilities	5.0	5.5	0.5	9.1%
Depreciation	4.3	5.6	1.3	29.8%
Advertising & marketing	1.5	1.9	0.4	29.9%
Others	7.0	8.0	1.0	13.9%
Total	51.7	57.9	6.1	11.9%
TOTAL EXPENSES	77.8	82.6	4.9	6.2%

Philippines Continues to Drive Growth

Revenues from Philippine operations were up by 24.1%, largely driven by the 17.0% increase in commissions and the booking of Php18.5 Mil worth of other income.

The growth in commission revenues was faster than the 7.1% increase in the PSE's value T/O as COL's market share improved from 5.6% in 2016 to 5.8% in 1Q17. Growth was led by self-directed clients which registered a 29.0% increase in commission revenues and now account for 70.8% of Philippine commission revenues.

Growth in commission revenues would have been faster if not for the 4.5% drop in commissions from the agency & advisory business.

REVENUE BREAKDOWN (IN PHP MIL)

	1Q16	1Q17	Change	
			Amount	%
Philippines				
Commission	116.6	136.4	19.8	17.0%
<i>Self-directed</i>	74.8	96.6	21.7	29.0%
<i>Agency & advisory</i>	41.7	39.8	(1.9)	-4.5%
Interest	52.1	55.6	3.5	6.8%
Others	1.0	18.5	17.6	1793.7%
Philippine Revenues	169.6	210.6	40.9	24.1%
Hong Kong				
Commission	1.7	2.8	1.1	66.7%
Interest	0.0	0.0	0.0	-
Others	0.0	0.2	0.2	2651.9%
HK Revenues	1.7	3.0	1.3	77.4%
Revenue Share				
Philippines	99.0%	98.6%		
HK	1.0%	1.4%		
Self-directed	64.2%	70.8%		
Agency & advisory	35.8%	29.2%		

Philippines Continues to Drive Growth

Interest income grew by 6.8% due to the 12.8% increase in interest income from cash placements.

Average yield increased slightly on a y/y basis largely due to the placement of Php200 Mil in LT investments.

Other income reached Php18.5 Mil due to the booking of Php16.3 Mil worth of trading gains resulting from clients' unexercised SROs.

HK revenues jumped 77.4% to Php2.9 Mil, allowing operating losses to narrow to Php5.6 Mil from Php6.4 Mil.

REVENUE BREAKDOWN (IN PHP MIL)

	1Q16	1Q17	Change	
			Amount	%
Philippines				
Commission	116.6	136.4	19.8	17.0%
<i>Self-directed</i>	74.8	96.6	21.7	29.0%
<i>Agency & advisory</i>	41.7	39.8	(1.9)	-4.5%
Interest	52.1	55.6	3.5	6.8%
Others	1.0	18.5	17.6	1793.7%
Philippine Revenues	169.6	210.6	40.9	24.1%
Hong Kong				
Commission	1.7	2.8	1.1	66.7%
Interest	0.0	0.0	0.0	-
Others	0.0	0.2	0.2	2651.9%
HK Revenues	1.7	3.0	1.3	77.4%
Revenue Share				
Philippines	99.0%	98.6%		
HK	1.0%	1.4%		
Self-directed	64.2%	70.8%		
Agency & advisory	35.8%	29.2%		

ROAE Improves to 30.1%

Operating profits grew 39.9% to Php130.9 Mil driven by the strength of Philippine operations and narrower losses from HK operations.

Operating profits from the Philippines were up by 36.6% to Php136.5 Mil on the strength of its revenues and slower growth of expenses.

ROAE improved significantly to 30.1%, brought about by increased profitability.

SELECTED FINANCIAL INDICATORS

	1Q16	1Q17	Change	
			Amount	%
Operating Profits				
Philippines	99.9	136.5	36.6	36.6%
Hong Kong	(6.4)	(5.6)	0.8	12.7%
Total	93.5	130.9	37.4	39.9%
Operating Margins				
Philippines	58.9%	64.8%		
Hong Kong	-379.2%	-186.7%		
Consolidated	54.6%	61.3%		
EBITDA Margin	57.1%	63.9%		
Net Margin	41.2%	46.9%		
Asset Turnover	8.1%	9.6%		
Asset/Equity	7.9	7.2		
ROAE	23.0%	30.1%		

Strong and Highly Liquid Balance Sheet

COL remained cash rich and debt free.

Total assets were flat at Php9.0 Bil as cash & cash equivalents were hardly changed at Php7.4 Bil.

Total receivables increased by 5.3% as margin lending increased to Php776.3 Mil as of end March from Php691.7 Mil as of end 2016.

Other current liabilities increased by 246.4% due to the booking of Php285.6 Mil worth of dividends payable.

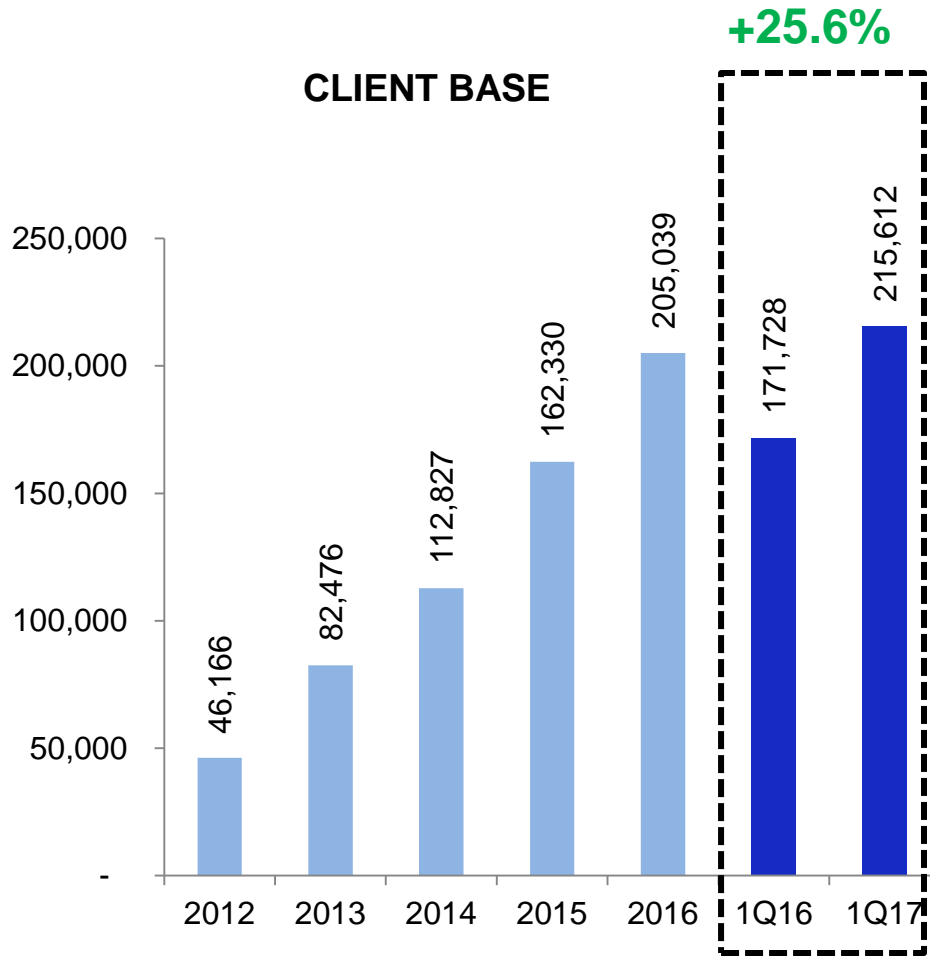
Stockholders' equity fell 12.9% to Php1.2 Bil due to declaration of Php285.6 Mil worth of cash dividends, partly offset by the booking of Php100.2 Mil worth of profits.

BVPS fell slightly to Php2.60/sh.

CONSOLIDATED BALANCE SHEET (IN PHP MIL)

	12/31/16	3/31/17	Change	
			Amount	%
Cash & equivalents	7,360.5	7,355.7	(4.8)	-0.1%
Receivables	1,188.6	1,252.0	63.4	5.3%
Other current assets	19.5	27.4	7.9	40.6%
LT investments	200.0	200.0	0.0	0.0%
PPE – net	62.5	63.2	0.7	1.1%
Other non-current assets – net	75.7	92.8	17.2	22.7%
TOTAL ASSETS	8,906.8	8,991.2	84.3	0.9%
Trade payables	7,353.3	7,337.0	(16.3)	-0.2%
Other current liabilities	103.2	357.6	254.4	246.4%
Non-current liabilities	26.8	26.8	0.0	0.0%
Total Liabilities	8,906.8	8,961.1	54.3	0.6%
Total Stockholders' Equity	1,423.5	1,239.7	(183.8)	-12.9%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	8,906.8	8,961.1	54.3	0.6%
BVPS	2.99	2.60		

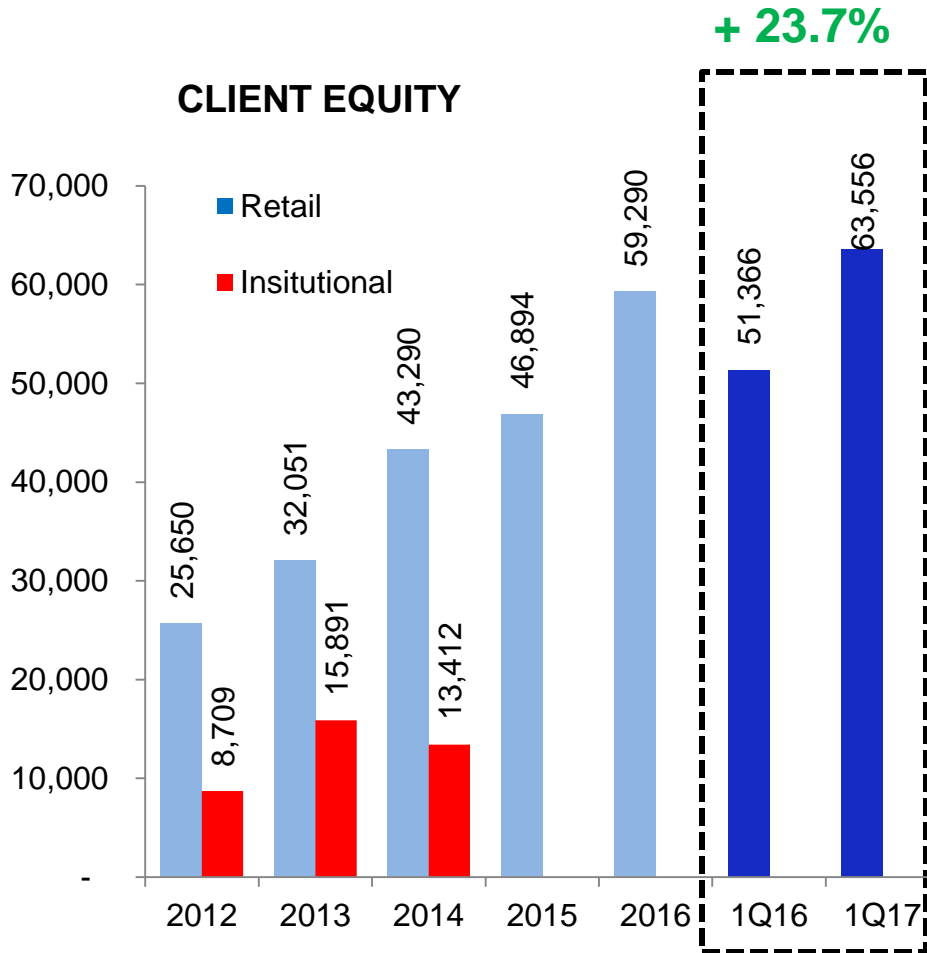
Sustained Customer Growth



COL's client base grew by 25.6% Y/Y to 215,612 as of end 1Q17.

Average monthly additions remained strong at 3,524.

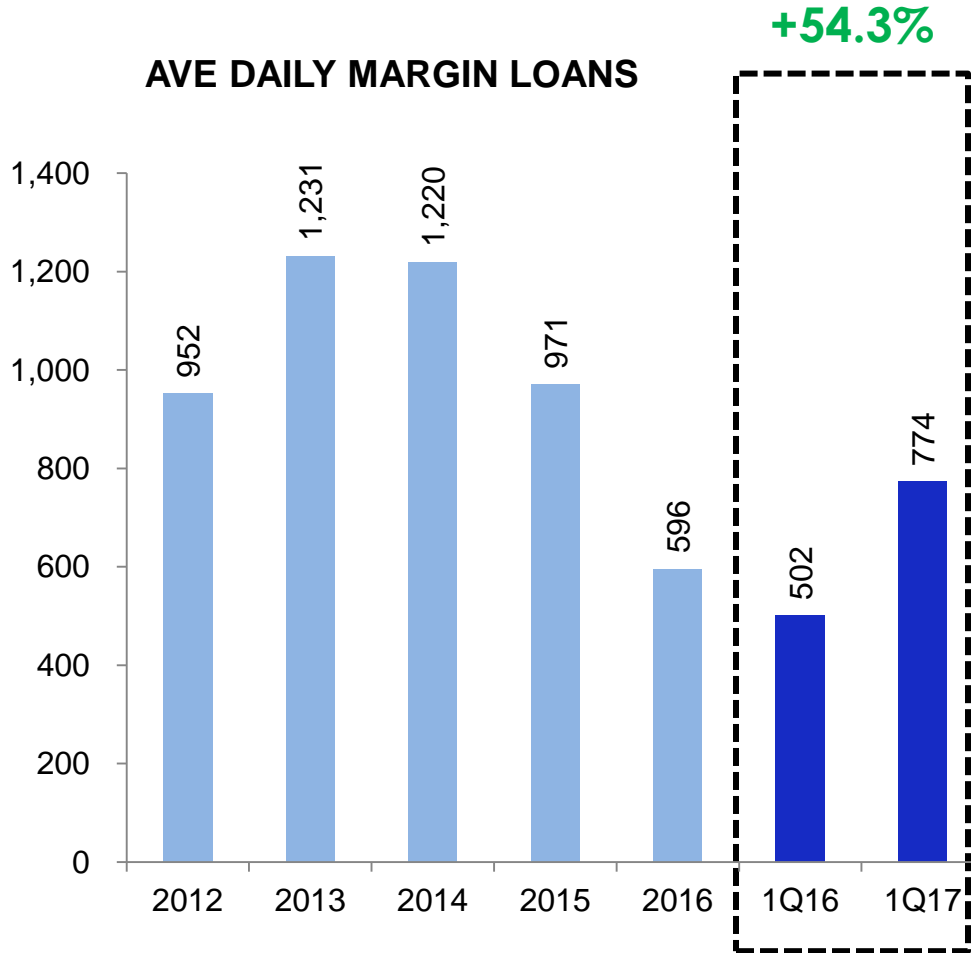
Healthy Retail Client Inflow



Client equity rose by 23.7% Y/Y to Php63.6 Bil.

Net new flow from retail clients amounted to Php1.9 Bil during 1Q17.

Margin Loans Recover



Average daily margin loans recovered by 54.3% to Php774 Mil Y/Y.

As of end March, the total number of approved margin accounts reached 1,147, up 2.3% Y/Y.

31.7% of approved margin accounts utilized their margin lines in 1Q17, up from 26.7% in 1Q16. In terms of value of margin granted, 14.9% was utilized in 1Q17, up from only 9.8% in 1Q16.

Market Share Remains Elevated

COL's average daily turnover rose 19.4% Y/Y to Php841.7 Mil during 1Q17 outpacing the 7.1% growth in the PSE's average daily turnover.

Consequently, COL's market share in terms of value turnover increased to 5.8% in 1Q17 for the whole market from 5.2% in 1Q16. Share of value turnover for local investors likewise increased during the same period to 12.7% from 10.8%. The said levels are also near the record highs of 6.0% and 12.8% posted in 2Q16.

PSE ranking in terms of value turnover improved to 4th, a new record high.

COMPARATIVE PERFORMANCE (COL VS. PSE)

	1Q16	1Q17	Change	
			Amount	%
PSE Ave. Daily T/O (PhpMil)	6,784.4	7,269.4	485.0	7.1%
COL Ave. Daily T/O (PhpMil)	704.7	841.7	137.0	19.4%
COL Market Share (Total)	5.2%	5.8%		
COL Market Share (Local)	10.8%	12.7%		
PSE Ranking	8	4		
No. of Transactions – PSE ('000)	7,125.4	8,303.5	1,178.1	16.5%
No. of Transactions – COL ('000)	1,359.1	1,687.2	328.1	24.1%
COL Market Shares	19.1%	20.3%		
PSE Ranking	1	1		

Highlights

Company Overview

Financial & Operating Highlights

Growth Plans



Pro Active Growth Plans

Maintain leadership by focusing on our consistent, long-term strategic goals

Priorities	Statement	Strategies
Expand Client Acquisition	#1. Continue to be the leading asset gatherer in the brokerage industry	<ul style="list-style-type: none"> • Set up more investor centers • Enter into tie-ups to expand market reach • Hold more investor education seminars <ul style="list-style-type: none"> ○ Frequency and type • Offer more products and services that will address the needs of more investors <ul style="list-style-type: none"> ○ Active and passive ○ Conservative to aggressive ○ Basic to sophisticated
Maintain a Mutually Beneficial Relationship	#2. Offer progressive client solutions that not only create value for the targeted client segments but also produce a profitable relationship for COL	
Long-Term Client Relationship	#3. Maintain long-term client relationships and exploit the power of COL promoters	
Expense Discipline	#4. Capitalize on operating leverage and increase profitability through our unique business model	<ul style="list-style-type: none"> • Focus on efficient means to grow revenues & profitability
Effective Capital Management	#5. Maintain a strong balance sheet and be good stewards of stockholder values	<ul style="list-style-type: none"> • ROE greater than 20%

Update on Fund Distribution Business

NET SALES (IN PHPMIL, ACCORDING TO FUND TYPE)

Type of Fund	1Q16	2Q16	3Q16	4Q16	1Q17	Total Sales	% Total	Total AUA*	% Total
Money Market	0.6	6.9	1.6	(42.4)	5.3	59.0	4.0%	60.9	4.1%
Bond Fund	14.3	21.3	23.8	7.6	6.8	111.0	7.5%	109.6	7.4%
Balanced Fund	13.8	11.7	18.3	11.5	11.0	111.8	4.5%	108.4	7.3%
Equity Fund	150.9	203.6	192.9	209.9	103.4	1,202.7	81.0%	1,204.5	81.2%
Total	179.6	243.5	236.7	186.6	126.4	1,484.4		1,483.5	

*AS OF END March 2017

Update on Fund Distribution Business

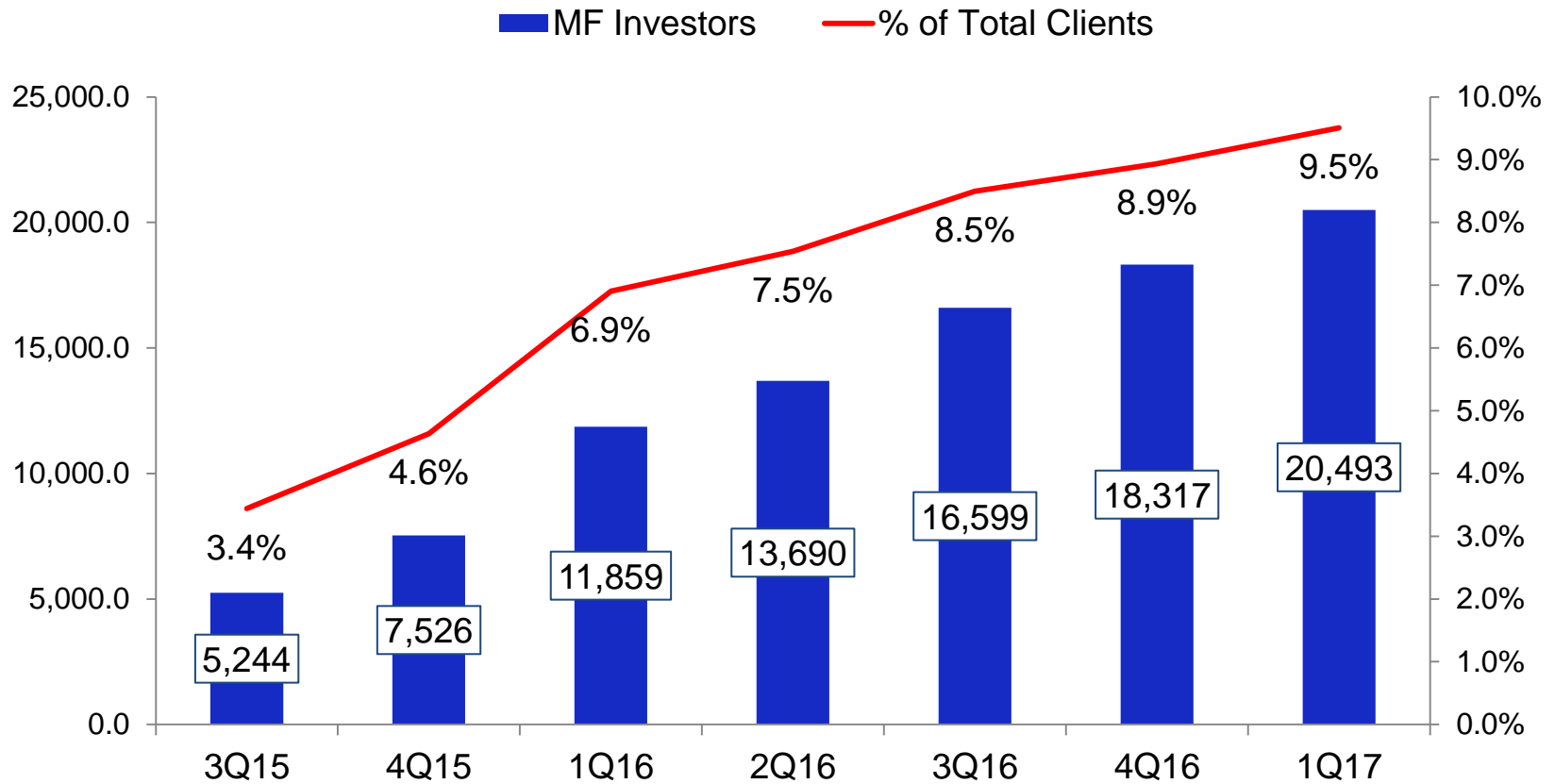
SIGNIFICANT SHARE OF INDUSTRY EQUITY FUND SALES (PESO FUNDS ONLY)

	1Q16	2Q16	3Q16	4Q16	1Q17
COL	150.9	203.6	192.9	209.9	103.4
Industry	1,181.6	(2,350.1)	(2,267.5)	3,125.6	124.9
% Share	12.8%	-	-	6.7%	82.8%

SOURCE: PIFA, COL ESTIMATES

Update on Fund Distribution Business

MF INVESTORS



Expanding Reach Through Investor Centers



COL Makati

2014

2016



COL Cebu
COL Laoag

2017



COL Davao



Thank You

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