

COL 9M16 Earnings Presentation

*For a Richer Life*TM



Investor Presentation Highlights



**COMPANY
OVERVIEW**



**FINANCIAL & OPERATING
HIGHLIGHTS**



**GROWTH
PLANS**

Company Overview

Established and licensed by the SEC in 1999

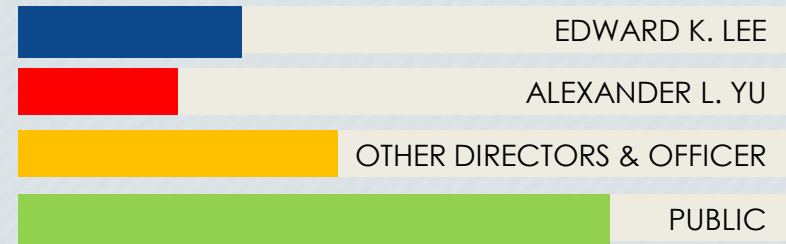
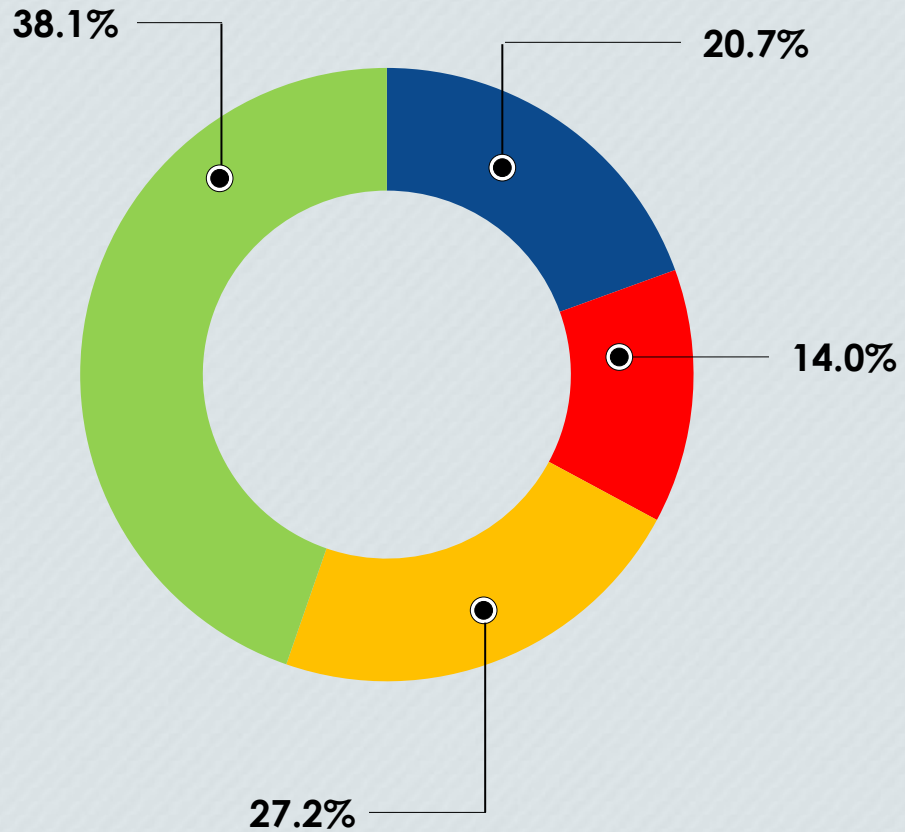
The leading and fastest-growing online stockbroker in the Philippines

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 SEPT 2016

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 the
Champion of the Filipino Investor

Leading and Fastest Growing Online Stockbroker in the Philippines in Terms of Numbers of Accounts. . .

2014 Rank	Broker Name	Total Accounts*		% Change	% of Total Accounts Online
		2013	2014		
1	COL Financial	83,540	114,078	36.6%	65.3%
2	BPI Securities	25,775	33,769	31.0%	19.3%
3	First Metro	9,995	12,207	22.1%	7.0%
4	Accord Capital	6,022	8,319	38.1%	4.8%
	Others	3,923	6,219	58.5%	3.6%
	Total	129,255	174,592	35.1%	100.0%

*2014 Numbers are estimates only
SOURCE: PSE, COL Estimates

Also Amongst the Biggest Philippine-Based Brokers

9M16 Rank	Broker Name	9M16 Value Turnover (PhpBil)	% of Total
1	UBS Securities Philippines Inc.	266.4	8.8%
2	Deutsche Regis Partners Inc.	262.0	8.7%
3	CLSA Philippines, Inc.	257.2	8.5%
4	Credit Suisse Securities (Phil), Inc.	201.6	6.7%
5	COL Financial Group, Inc.	176.4	5.9%
6	Macquarie Capital Securities (Phil), Inc.	174.3	5.8%
7	Philippine Equity Partners, Inc.	148.8	4.9%
8	Maybank ATR Kim Eng Securities, Inc.	137.5	4.6%
9	Mandarin Securities Corp.	132.6	4.4%
10	J.P. Morgan Securities Philippines, Inc.	117.4	3.9%

SOURCE: PSE

Corporate Milestones



- Became licensed by the SEC to conduct business as a broker and seller of securities in the Philippines

1999

2001-2002

- The COL PH online trading platform became operational
- CitisecOnline HK Ltd. (COL HK) became a trading participant of the HK exchange
- Launched the COL HK platform



- COL's IPO for PSE listing
- Launched the COL PH Trading platform
- PSE approved COL's application as a trading participant

2005-2006

2008-2010



- Launched the COL Easy Investment Program
- COL began to operate its PSE seat
- Launched the full-service agency and advisory team called the COL Private Clients Group (PCG)



- Official change of corporate name to COL FINANCIAL GROUP, INC.
- Received the 1st PSE Bell Award in Good Governance

2012

- Signed a partnership with I-Remit to expand reach to OFWs
- Received the 2nd PSE Bell Award in Good Governance



2013

- SEC granted COL the Mutual Distributor License
- Partnered with ALFM, ATRAM, First Metro, Philamlife, Philequity and Sun Life
- Launched the COL Mobile App for the iOS platform
- Opened the Makati Investor Center



2014

2015

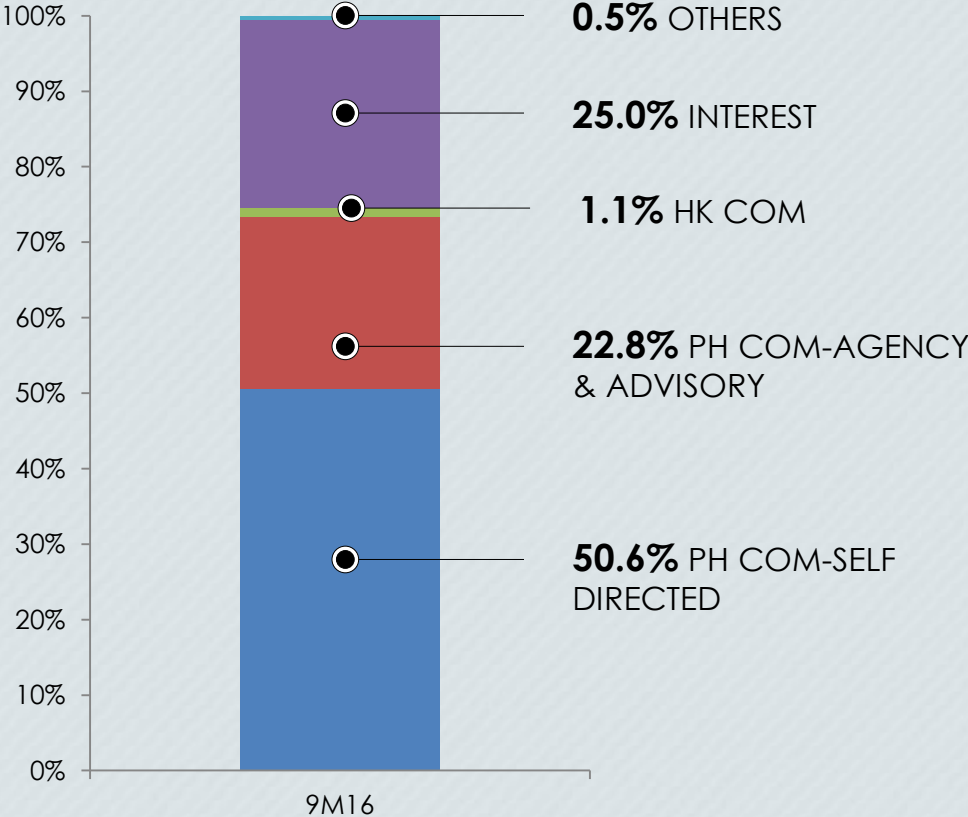


- Introduced COL Fund Source - the first fund supermarket in the country.
- Launched the COL Mobile App for the Android platform



Bulk of Revenues Generated From Philippine Operations

REVENUE BREAKDOWN



COL's Philippine operations account for 99.0% of revenues.

Commissions from both Philippines and HK account for 74.2% of revenues.

Interest income from margin loans and cash accounts for 25.0% of revenues.

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GROWTH
PLANS

Key Highlights

POSITIVE

- Philippine business (stock trading & fund distribution) grew despite challenging environment
- Market share improved further, reaching a new record high
- Interest income from cash placements continued to grow
- Profits reached a new record high
- Balance sheet remained healthy
- Strong growth in new accounts & client equity

NEGATIVE

- HK business generated a loss
- Margin lending down

9M16 Net Income +28.6%

9M16 net income increased by 28.6% to Php316.9 Mil. Excluding one-off tax expenses booked in 9M15, recurring profits improved by 17.3%.

Consolidated revenues increased by 12.8% Y/Y as the 25.5% increase in commission revenues was able to offset the 7.4% decline in interest income and the 77.8% drop in other income.

Operating profits jumped 25.0% to Php409.7 Mil as operating expenses fell 2.8% largely due to the non-booking of Php23.7 Mil worth of deficiency income taxes.

CONSOLIDATED INCOME STATEMENT (IN PHP MIL)

	9M15	9M16	Change	
			Amount	%
Income				
Commissions	391.1	490.8	99.7	25.5%
Interest	177.6	164.5	(13.1)	-7.4%
Other income	15.2	3.4	(11.8)	-77.8%
Total	583.9	658.7	74.8	12.8%
Expenses				
Commission expenses	67.8	75.4	7.6	11.2%
Personnel costs	51.5	53.2	1.7	3.3%
Professional fees	18.8	21.3	2.5	13.1%
Stock exch. dues & fees	16.4	19.5	3.1	18.7%
Communication	18.6	22.9	4.3	23.1%
Rentals & utilities	15.0	15.4	0.4	2.7%
Depreciation	12.7	13.4	0.7	5.6%
Advertising & marketing	8.0	8.3	0.3	4.1%
Others	47.3	19.7	(27.6)	-58.4%
Total	256.1	249.0	(7.0)	-2.8%
PRE-TAX INCOME	327.9	409.7	81.8	25.0%
TAXES	81.5	92.8	11.3	13.9%
NET INCOME	246.4	316.9	70.5	28.6%

Total Expenses Down 2.8%

Total expenses fell by 2.8%.

The drop was largely due to the non-booking of one-off tax expenses worth Php23.7 Mil. Excluding the said expense, recurring expenses increased by 7.2%.

The increase in recurring expenses was largely driven by the 12.7% growth in trade related expenses.

Recurring fixed operating costs were up by only 4.0% as COL implemented successful cost cutting measures.

Communications costs (+23.1%) increased significantly as COL took steps to improve service to its growing client base.

BREAKDOWN OF EXPENSES (IN PHP MIL)

	9M15	9M16	Change	
			Amount	%
Trading Related Expenses				
Commission expenses	67.8	75.4	7.6	11.2%
Stock exch. dues & fees	16.4	19.5	3.1	18.7%
Total	84.2	94.9	10.7	12.7%
Fixed Operating Costs				
Personnel costs	51.5	53.2	1.7	3.3%
Professional fees	18.8	21.3	2.5	13.1%
Communication	18.6	22.9	4.3	23.1%
Rentals & utilities	15.0	15.4	0.4	2.7%
Depreciation	12.7	13.4	0.7	5.6%
Advertising & marketing	8.0	8.3	0.3	4.1%
Others	23.6	19.7	(3.9)	-16.6%
Deficiency income taxes*	23.7	0.0	(23.7)	-100.0%
Total	171.8	154.1	(17.7)	-10.3%
TOTAL EXPENSES	256.1	249.0	(7.0)	-2.8%

*Due to disallowed cost of services

3Q16 Net Income Reaches New Record High

3Q16 net income more than doubled to Php133.6 Mil, reaching a new record high. The last record high was registered in 1Q12 when COL booked Php129.5 Mil in profits.

Consolidated revenues jumped by 44.3% Y/Y to Php258.0 Mil, also a new record high. This was largely driven by the 64.3% increase in commission revenues.

Operating profit was up by a faster 109.3% to Php170.9 Mil due to the more subdued growth in operating expenses and the non-booking of Php23.7 Mil worth of non-recurring tax expenses.

CONSOLIDATED INCOME STATEMENT (IN PHP MIL)

	3Q15	3Q16	Change	
			Amount	%
Income				
Commissions	120.3	197.6	77.3	64.3%
Interest	57.4	59.6	2.2	3.8%
Other income	1.1	0.8	(0.3)	-26.4%
Total	178.8	258.0	79.2	44.3%
Expenses				
Commission expenses	20.0	28.6	8.6	43.3%
Personnel costs	15.2	15.2	(0.0)	-0.2%
Professional fees	5.7	6.7	1.1	19.0%
Stock exch. dues & fees	6.6	7.5	0.9	13.3%
Communication	6.5	8.1	1.5	23.6%
Rentals & utilities	5.9	5.4	(0.5)	-8.6%
Depreciation	3.8	4.4	0.7	18.0%
Advertising & marketing	1.9	4.9	3.0	153.8%
Others	31.5	6.3	(25.3)	-80.1%
Total	97.1	87.1	(10.0)	-10.3%
PRE-TAX INCOME	81.7	170.9	89.2	109.3%
TAXES	24.9	37.3	12.4	49.9%
NET INCOME	56.8	133.6	76.8	135.3%

Philippines Continues to Drive Growth

Revenues from Philippine operations were up by 17.0%, largely driven by the 32.8% increase in commissions.

Commission revenues increased despite the 12.0% drop in the PSE's value T/O as COL's market share improved from 3.9% in 9M15 to reach a new record high of 5.9% in 9M16. Growth was led by self-directed clients which registered a 41.6% increase in commission revenues and now account for 68.9% of Philippine commission revenues.

Interest income fell by 7.4% due to the 43.6% drop in average margin loans and as rates were reduced to encourage more borrowing. This was partly offset by the added interest income resulting from the increase in COL 's cash position.

REVENUE BREAKDOWN (IN PHP MIL)

	9M15	9M16	Change	
			Amount	%
Philippines				
Commission	364.0	483.4	119.4	32.8%
<i>Self-directed</i>	235.2	333.1	97.9	41.6%
<i>Agency & advisory</i>	128.8	150.3	21.5	16.7%
Interest	177.6	164.5	(13.1)	-7.4%
Others	14.4	2.4	(12.0)	-83.3%
Philippine Revenues	556.1	650.4	94.3	17.0%
Hong Kong				
Commission	27.1	7.4	(18.1)	-66.7%
Interest	0.0	0.0	0.0	-
Others	0.8	1.0	0.2	21.1%
HK Revenues	27.9	8.4	(17.9)	-64.2%
Revenue Share				
Philippines	97.1%	98.7%		
HK	2.9%	1.3%		
Self-directed	64.6%	68.9%		
Agency & advisory	35.4%	31.1%		

Philippines Continues to Drive Growth

Other income dropped due to the absence of trading gains resulting from clients' unexercised SROs.

HK operations remained weak, with commissions down 66.7% to Php7.4 Mil due to poor market conditions. However, impact was limited as HK accounted for only 1.3% of revenues.

REVENUE BREAKDOWN (IN PHP MIL)

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Philippines				
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Interest	177.6	164.5	(13.1)	-7.4%
Others	14.4	2.4	(12.0)	-83.3%
Philippine Revenues	556.1	650.4	94.3	17.0%
Hong Kong				
Commission	27.1	7.4	(18.1)	-66.7%
Interest	0.0	0.0	0.0	-
Others	0.8	1.0	0.2	21.1%
HK Revenues	27.9	8.4	(17.9)	-64.2%
Revenue Share				
Philippines	97.1%	98.7%		
HK	2.9%	1.3%		
Self-directed	64.6%	68.9%		
Agency & advisory	35.4%	31.1%		

ROAE Improves to 31.1%

Operating profits grew 25.6% to Php409.8 Mil, largely driven by the strength of Philippine operations.

Operating profits from the Philippines were up by 32.8% to Php422.0 Mil on the strength of its revenues and the absence of one-off tax expenses.

ROAE improved significantly to 31.1%, brought about by increased profitability and higher leverage.

SELECTED FINANCIAL INDICATORS

	9M15	9M16	Change	
			Amount	%
Operating Profits				
Philippines	317.7	422.0	104.3	32.8%
Hong Kong	8.5	(12.2)	(20.7)	-243.5%
Total	326.2	409.8	83.6	25.6%
Operating Margins				
Philippines	57.1%	64.9%		
Hong Kong	30.5%	-145.5%		
Consolidated	55.9%	62.2%		
EBITDA Margin	58.3%	64.2%		
Net Margin	42.2%	48.1%		
Asset Turnover*	10.3%	9.6%		
Asset/Equity	6.5	7.4		
ROAE*	25.5%	31.1%		

*Annualized

Strong and Highly Liquid Balance Sheet

COL remained cash rich and debt free.

Total assets grew by 30.2% to Php10.4 Bil largely driven by the 29.4% increase in cash.

Receivables increased by 16.2% to Php1.2 Bil due to higher value of transactions partly offset by the drop in margin lending.

Trade payables grew 35.4% to Php8.9 Bil largely due to the increase of COL's client cash.

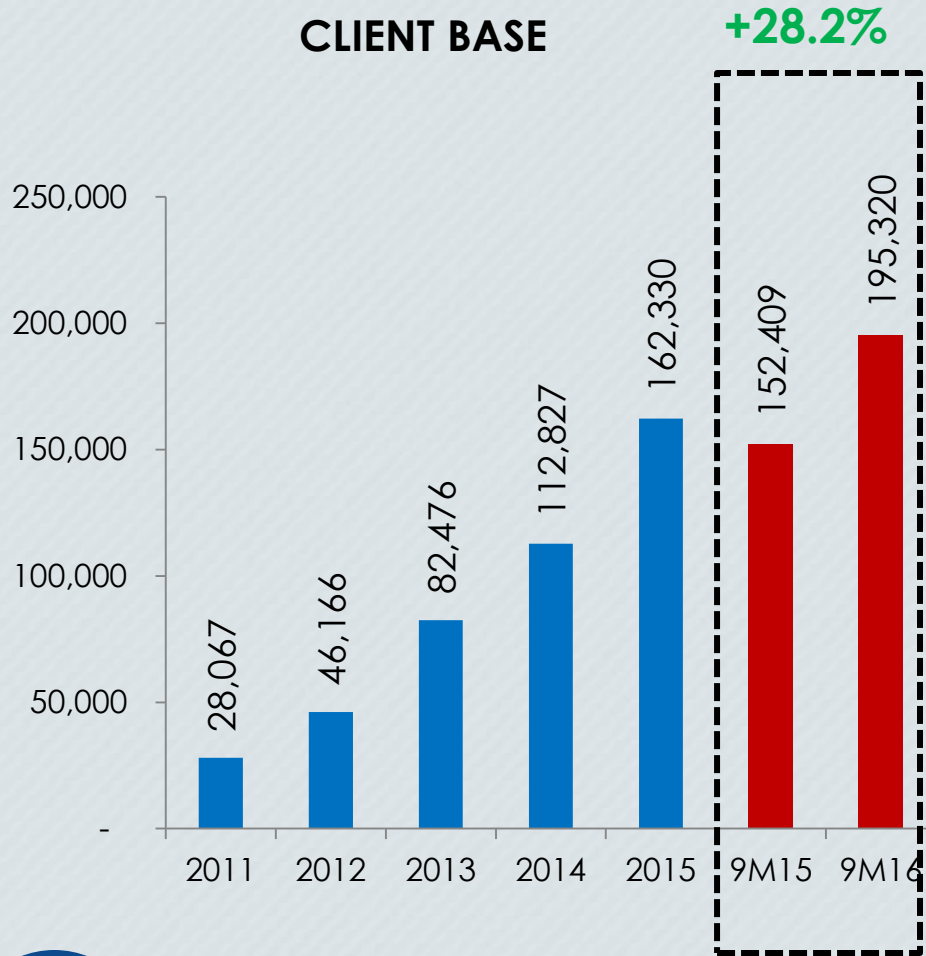
Stockholders' equity was up 6.3% to Php1.4 Bil due to booking of Php316.9 Mil of profits, partly offset by the payment of Php237.5 Mil in cash dividends.

BVPS increased to Php2.94/sh.

CONSOLIDATED BALANCE SHEET (IN PHP MIL)

	12/31/15	09/30/16	Change	
			Amount	%
Cash & equivalents	6,749.2	8,734.8	1,985.6	29.4%
Receivables	1,075.8	1,249.9	174.0	16.2%
Other current assets	12.2	24.0	11.8	97.1%
LT investments	0.0	200.0	200.0	-
PPE – net	44.3	68.7	24.5	55.3%
Other non-current assets – net	71.4	74.8	3.4	4.8%
TOTAL ASSETS	7,952.8	10,352.2	2,399.4	30.2%
Trade payables	6,539.1	8,851.2	2,312.0	35.4%
Other current liabilities	70.4	75.4	5.0	7.1%
Non-current liabilities	26.3	26.3	(0.0)	0.0%
Total Liabilities	6,635.8	8,952.9	2,317.1	34.9%
Total Stockholders' Equity	1,317.0	1,399.3	82.3	6.3%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	7,952.8	10,352.2	2,399.4	30.2%
BVPS	2.77	2.94		

Sustained Customer Growth

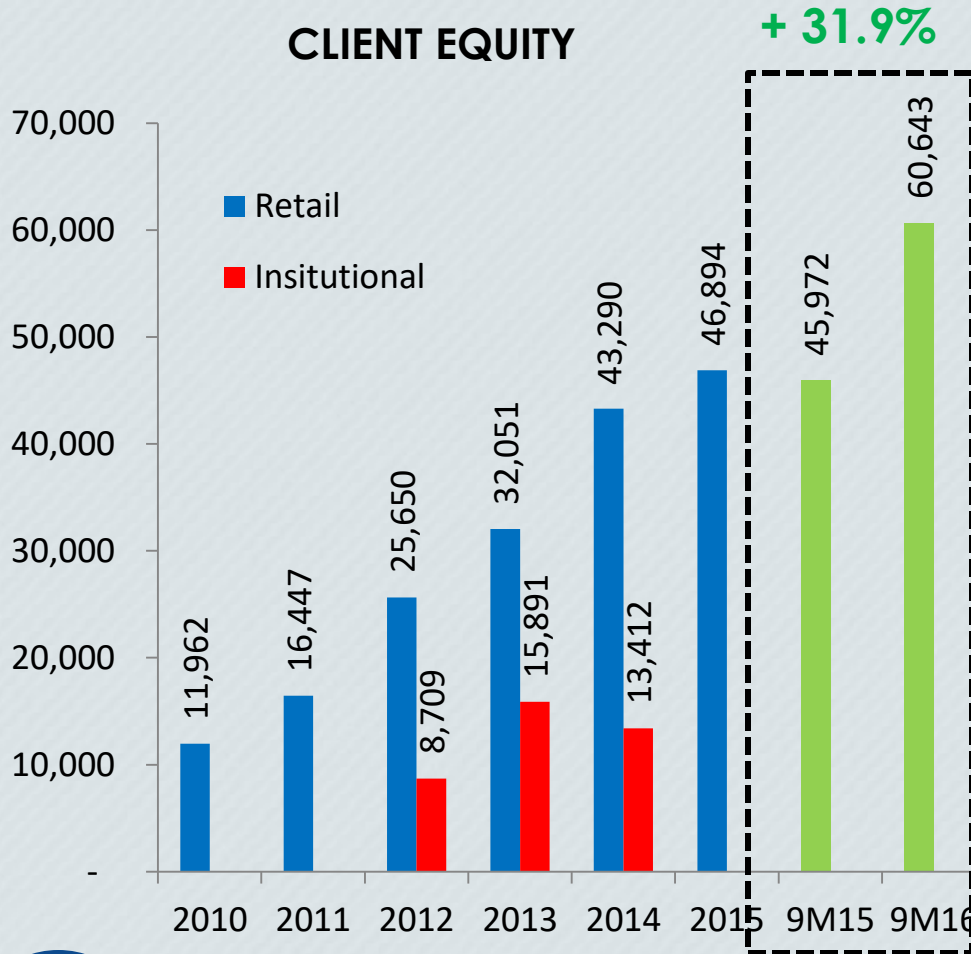


COL's client base grew by 28.2% Y/Y to 195,320 as of end September 2016.

Average monthly additions for YTD remained strong at 3,666.

Healthy Retail Client Inflow

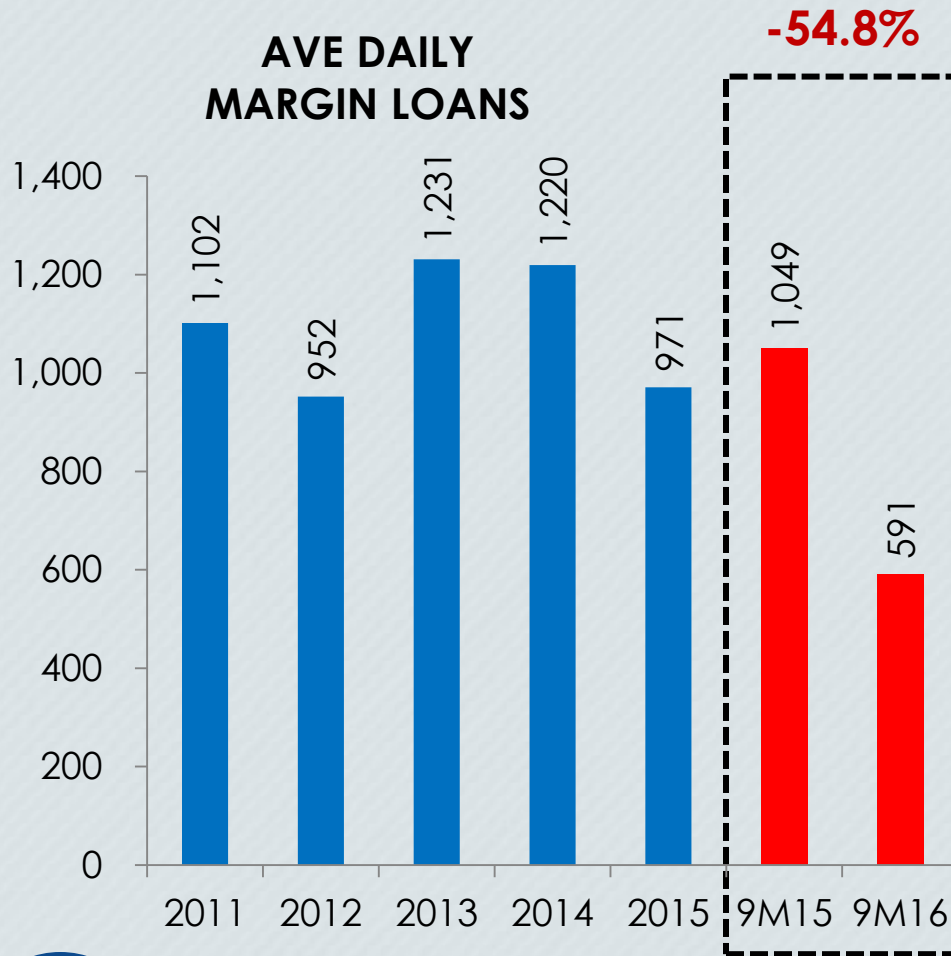
CLIENT EQUITY



Client equity rose by 31.9% Y/Y and 29.3% YTD to Php60.6 Bil.

Net new cash flow from retail clients amounted to Php4.9 Bil during 9M16.

Margin Loans Drop



Average daily margin loans were down 43.6% at Php591 Mil Y/Y.

As of end September, the total number of approved margin accounts reached 1,130, flattish on a Y/Y basis.

However, only 29.5% of approved margin accounts utilized their margin lines in 9M16, down from 31.2% in 9M15. In terms of value of margin granted, only 11.6% was utilized in 9M16, down from 20.5% in 9M15.

Market Share Reaches a New Record High

COL's average daily turnover rose 27.7% Y/Y to Php943.6 Mil during 9M16 despite the 14.8% drop in the PSE's average daily turnover.

Consequently, COL's market share in terms of value turnover increased to 5.9% in 9M16 for the whole market from 3.9% in 9M15. Share of value turnover for local investors likewise increased during the same period to 12.1% from 7.9%. The said levels are new record highs.

PSE ranking in terms of value turnover improved to 5th.

COMPARATIVE PERFORMANCE (COL VS. PSE)

	9M15	9M16	Change	
			Amount	%
PSE Ave. Daily T/O (PhpMil)	9,464.1	8,064.5	(1,399.6)	-14.8%
COL Ave. Daily T/O (PhpMil)	738.9	943.6	204.6	27.7%
COL Market Share (Total)	3.9%	5.9%		
COL Market Share (Local)	7.9%	12.1%		
PSE Ranking*	8	5		
No. of Transactions – PSE ('000)	19,792.7	26,673.1	6,880.4	34.8%
No. of Transactions – COL ('000)	3,855.4	5,731.6	1,876.2	48.7%
COL Market Shares	19.5%	21.5%		
PSE Ranking	1	1		

* YTD

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**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	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	Total Sales	% Total	Total AUA*	% Total
Money Market	19.0	0.9	75.8	0.6	6.9	1.6	104.9	8.9%	97.5	8.0%
Bond Fund	1.9	17.9	17.4	14.3	21.3	23.8	96.6	8.2%	97.0	8.0%
Balanced Fund	3.3	25.9	16.2	13.8	11.7	18.3	89.3	7.6%	90.0	7.4%
Equity Fund	30.9	156.2	154.8	150.9	203.6	192.9	889.4	75.4%	926.7	76.5%
Total	55.2	200.8	264.3	179.6	243.5	236.7	1,180.1		1,211.2	

* As of end Sept, 2016

Update on Fund Distribution Business

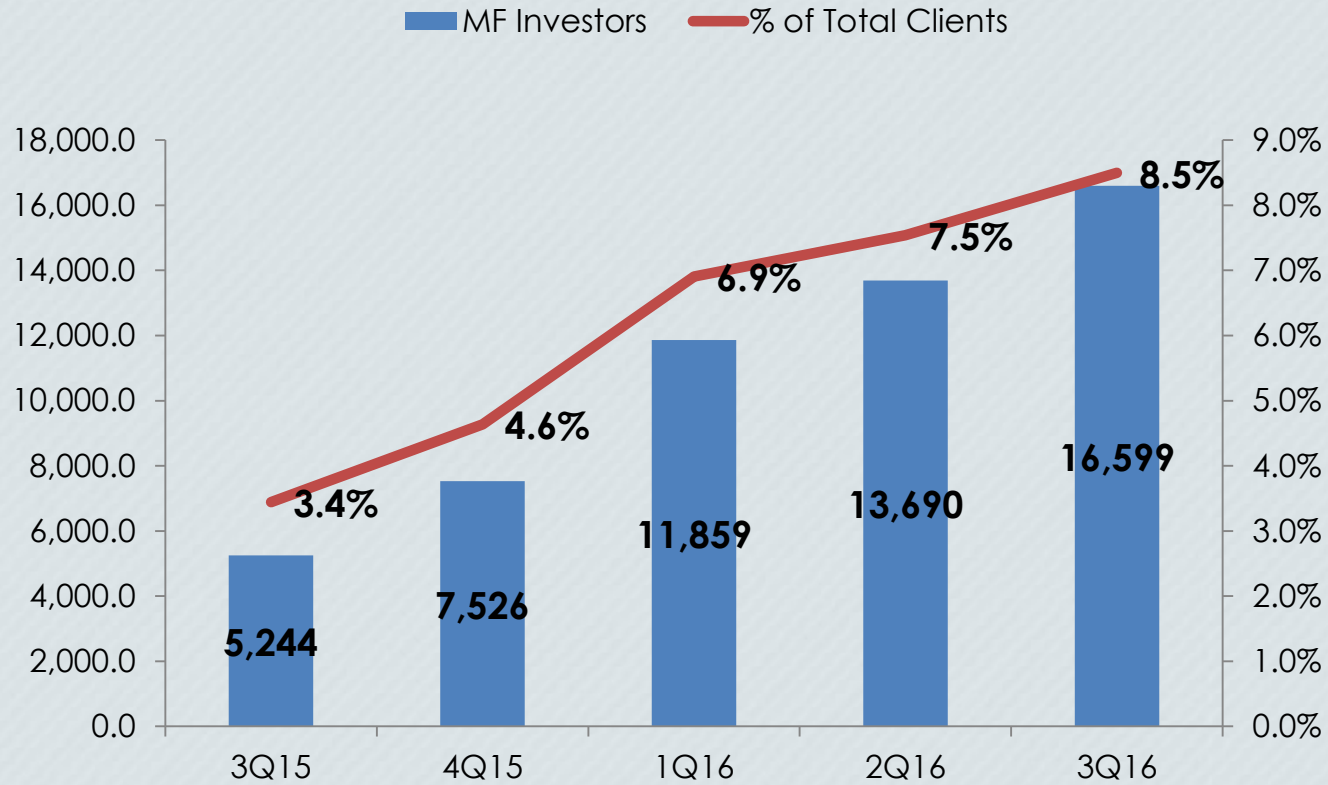
Significant Share of Industry Equity Fund Sales (Peso Funds Only)

	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
COL	30.9	156.2	154.8	150.9	203.6	192.9
Industry	4,024.5	1,735.0	1,645.4	1,181.6	(2,350.1)	(2,267.5)
% Share	0.8%	9.0%	9.4%	12.8%	-	-

SOURCE: PIFA, COL Estimates

Update on Fund Distribution Business

MF Investors



Thank You

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