

COL 9M17 INVESTOR PRESENTATION

PICKING THE RIGHT INVESTMENT WITH COL FUND SOURCE



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- SUBMIT**
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PHILIPPINES

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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



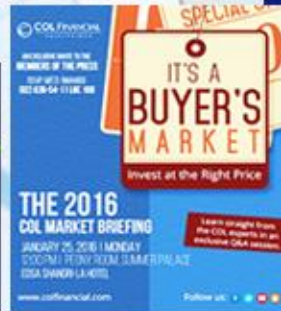
Company Overview

Established and licensed by the SEC in 1999

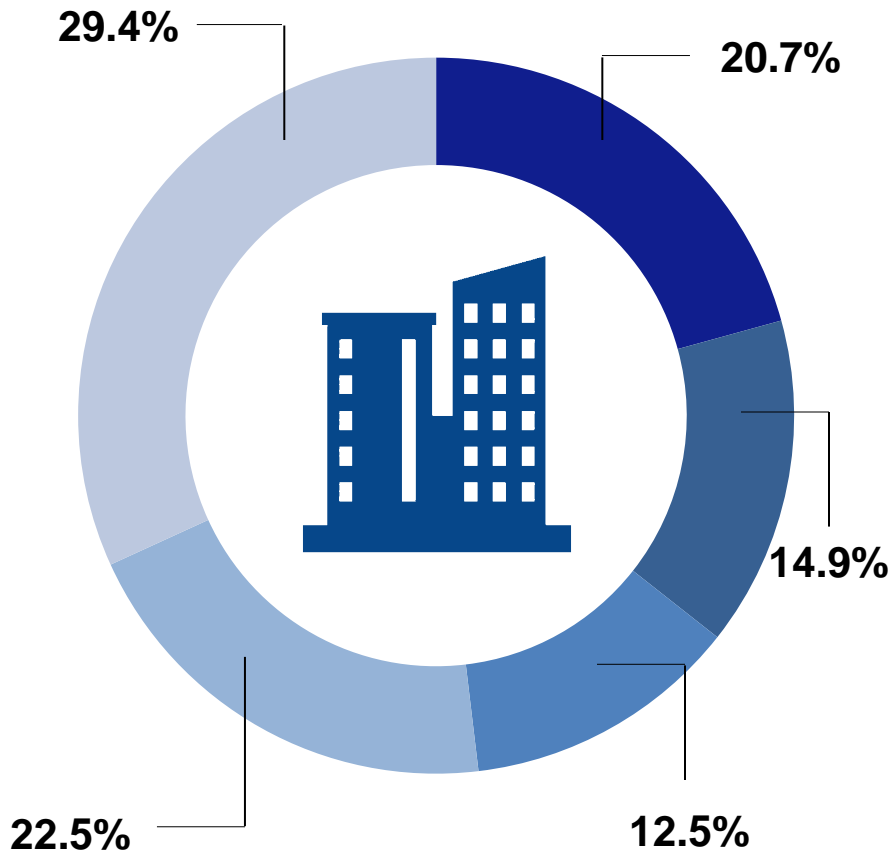
The leading and fastest-growing online stockbroker in the Philippines

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

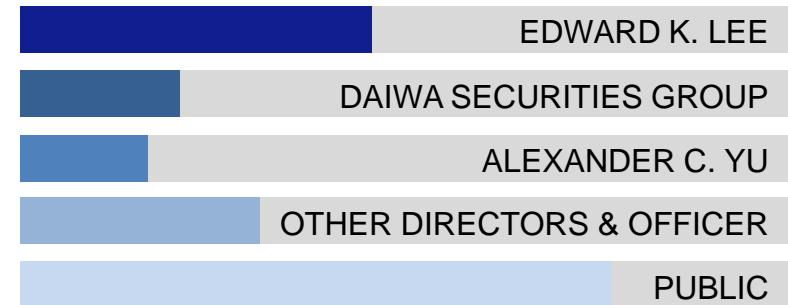


Ownership Structure




OUTSTANDING SHARES	476.0Mil
FREE FLOAT	139.8Mil
MARKET CAP*	Php7.6Bil

*AS OF END JUNE 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**

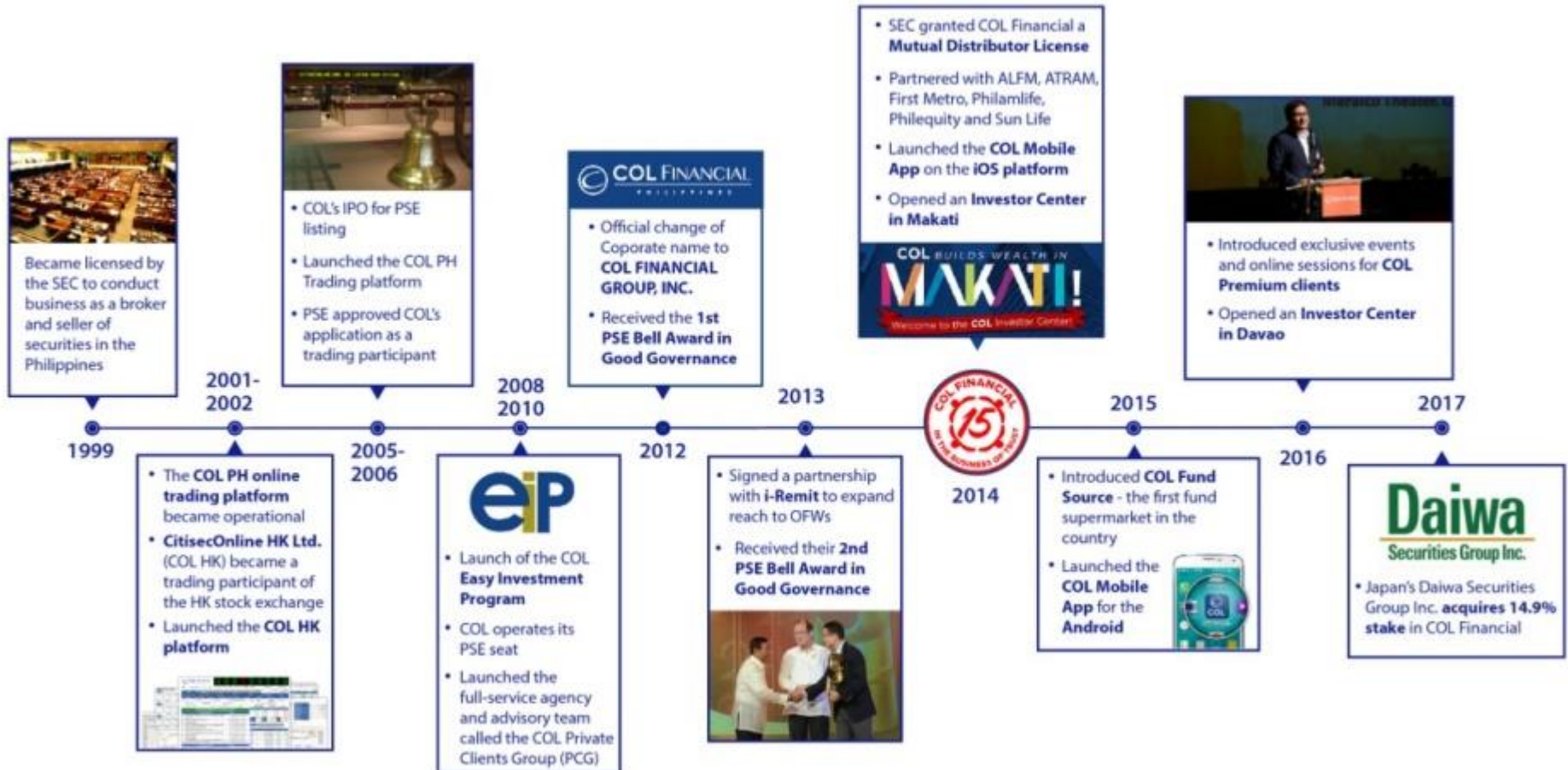


The Biggest Philippine Based Broker

9M17 Rank	Broker Name	9M17 Value Turnover (PhpBil)	% of Total
1	UBS Securities Philippines Inc.	268.3	8.9%
2	Macquarie Capital Securities (Phil), Inc.	214.5	7.1%
3	CLSA Philippines, Inc.	210.3	7.0%
4	Deutsche Regis Partners Inc.	207.3	6.9%
5	COL Financial Group, Inc.	184.7	6.1%
6	Credit Suisse Securities (Phil), Inc.	178.9	6.0%
7	Maybank ATR Kim Eng Securities, Inc.	130.8	4.4%
8	Philippine Equity Partners, Inc.	121.6	4.0%
9	BDO Securities Corp.	121.2	4.0%
10	First Metro Securities Brokerage Corp.	119.5	4.0%

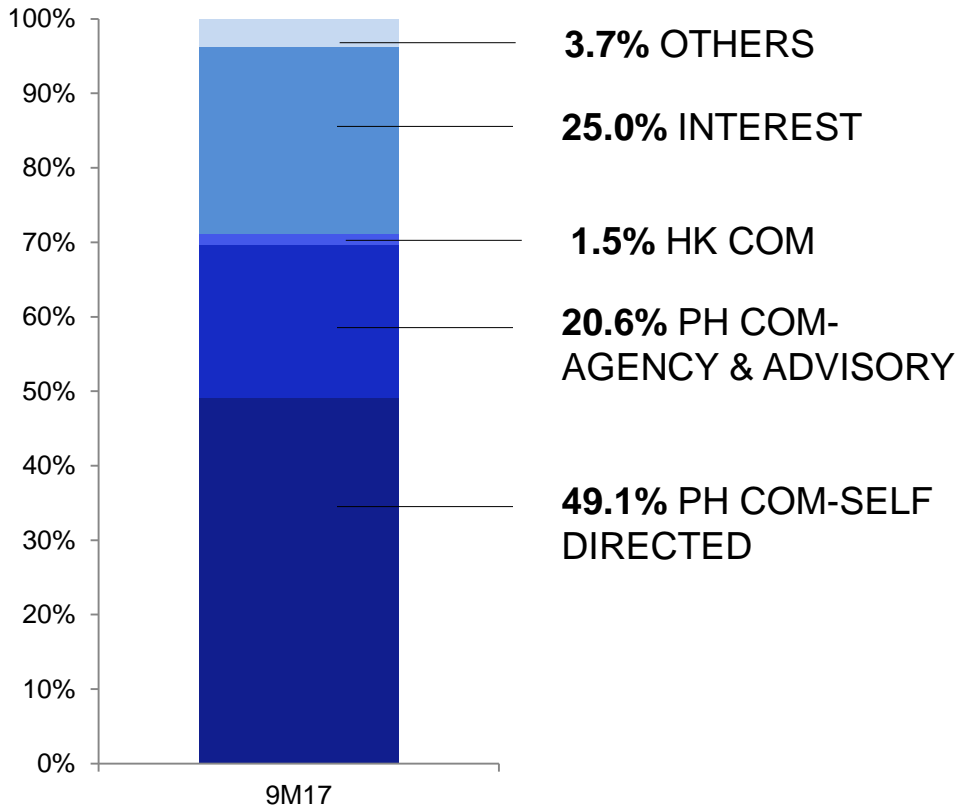
SOURCE: PSE

Corporate Milestones



Bulk of Revenues Generated From Philippine Operations

REVENUE BREAKDOWN



COL's Philippine operations account for 98.4% of revenues.

Commissions from both Philippines and HK account for 69.7% of revenues.

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

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Growth Plans



Key Highlights

Positive

- 9M17 profits +7.2%
- Philippine business (stock trading & fund distribution) grew faster than the industry
- Market share reached a new record high in 9M17
- Margin lending increased
- Strong growth in new accounts and client equity
- HK business rebounded

Negative

- 9M17 commissions from agency and advisory business -2.5%

9M17 Net Income

+7.2%

9M17 net income increased by 7.2% to Php339.7 Mil.

Consolidated revenues increased by 7.6% Y/Y, largely driven by the 8.2% growth in interest income and the booking of Php26.6 Mil of other income. Commission revenues were up 3.1%.

Operating profits grew by 7.4% to Php440.0 Mil due to higher revenues and as trading related expenses fell.

CONSOLIDATED INCOME STATEMENT (IN PHP MIL)

	9M16	9M17	Change	
			Amount	%
Income				
Commissions	490.8	506.1	15.3	3.1%
Interest	164.5	178.0	13.5	8.2%
Other income	4.9	26.6	21.6	438.2%
Total	660.3	710.7	50.4	7.6%
Expenses				
Commission expenses	75.4	70.0	(5.4)	-7.1%
Personnel costs	53.2	64.9	11.7	21.9%
Professional fees	21.3	24.0	2.8	13.0%
Stock exch. dues & fees	19.5	21.3	1.8	9.3%
Communication	22.9	25.1	2.3	9.9%
Rentals & utilities	15.4	17.5	2.1	13.7%
Depreciation	14.9	18.1	3.2	21.3%
Advertising & marketing	8.3	6.0	(2.3)	-27.5%
Others	19.7	23.7	4.0	20.3%
Total	250.6	270.7	20.1	8.0%
PRE-TAX INCOME	409.7	440.0	30.3	7.4%
TAXES	92.8	100.3	7.5	8.1%
NET INCOME	316.9	339.7	22.8	7.2%

Total Expenses

+8.0%

Total expenses increased by 8.0% to Php270.7 Mil.

Trading related expenses fell by 3.8%. This was largely due to the weaker y/y performance of the agency and advisory business and the restructuring of commissions given to customer relations team.

However, fixed operating expenses increased by 15.2% to Php179.4 Mil.

The increase in fixed expenses was largely due to higher personnel costs (+21.9%), professional fees (+13.0%), rentals & utilities (+13.7%) and depreciation costs (+21.3%), in line with efforts to improve service quality and reach.

BREAKDOWN OF EXPENSES (IN PHP MIL)

	9M16	9M17	Change	
			Amount	%
Trading Related Expenses				
Commission expenses	75.4	70.0	-5.4	-7.1%
Stock exch. dues & fees	19.5	21.3	1.8	9.3%
Total	94.9	91.3	-3.6	-3.8%
Fixed Operating Costs				
Personnel costs	53.2	64.9	11.7	21.9%
Professional fees	21.3	24.0	2.8	13.0%
Communication	22.9	25.1	2.3	9.9%
Rentals & utilities	15.4	17.5	2.1	13.7%
Depreciation	14.9	18.1	3.2	21.3%
Advertising & marketing	8.3	6.0	-2.3	-27.5%
Others	19.7	23.7	4.0	20.3%
Total	155.7	179.4	23.7	15.2%
TOTAL EXPENSES	250.6	270.7	20.1	8.0%

Philippines Continues to Drive Growth

Revenues from Philippine operations were up by 7.5%, largely driven by the 8.2% increase in interest income and the booking of Php25.8 Mil worth of other income.

The growth in interest income was driven by higher interest from margin lending as average daily margin lending increased by 41.2% to Php835 Mil during 9M17, and higher interest from cash placements due to increasing bank yields and the allocation of Php403 Mil to higher yielding longer term investments.

Other income increased by Php23.4 Mil largely due to the booking of trading gains resulting from clients' unexercised SROs. Trailer fees from our MF distribution business also jumped from Php3.8 Mil to Php7.4 Mil due to the growing size of assets under administration (AUA).

REVENUE BREAKDOWN (IN PHP MIL)

	9M16	9M17	Change	
			Amount	%
Philippines				
Commission	483.4	495.5	12.0	2.5%
<i>Self-directed</i>	333.1	348.9	15.8	4.8%
<i>Agency & advisory</i>	150.3	146.5	(3.8)	-2.5%
Interest	164.5	178.0	13.5	8.2%
Others	2.4	25.8	23.4	973.7%
Philippine Revenues	650.4	699.3	48.9	7.5%
Hong Kong				
Commission	7.4	10.7	3.3	44.3%
Interest	0.0	0.0	(0.0)	-
Others	1.0	0.8	(0.2)	-21.8%
HK Revenues	8.4	11.4	3.1	36.6%
Revenue Share				
Philippines	98.7%	98.4%		
HK	1.3%	1.6%		
Self-directed	68.9%	70.4%		
Agency & advisory	31.1%	29.6%		

Philippines Continues to Drive Growth

Commission revenues from Philippine operations increased by only 2.5% as commissions from the agency & advisory business fell by 2.5% and as there were seven less trading days in 9M17 compared to the same period last year.

On the positive side, COL's average daily value T/O during 9M17 increased by 8.8% to Php1.0 Bil, faster than the 3.6% increase registered by the PSE. Moreover, COL's market share in terms of value T/O reached another record high of 12.8% for local investors and 6.1% for the whole market.

HK revenues rebounded after consistently falling since the start of 2016. In 3Q17, HK commission revenues jumped to Php6.6 Mil. This brought 9M17 commission revenues to Php10.7 Mil, up 44.3% compared to the same period in 2016.

Consequently, the HK business generated an operating profit of Php0.6 Mil in 3Q17 after consistently generating an operating loss since the start of 2016.

REVENUE BREAKDOWN (IN PHP MIL)

	9M16	9M17	Change	
			Amount	%
Philippines				
Commission	483.4	495.5	12.0	2.5%
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Hong Kong				
Commission	7.4	10.7	3.3	44.3%
Interest	0.0	0.0	(0.0)	-
Others	1.0	0.8	(0.2)	-21.8%
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Market Share Reaches New Record

COL's average daily turnover rose 8.8% Y/Y to Php1.0 Bil during 9M17, outpacing the 3.6% growth in the PSE's average daily turnover.

Consequently, COL's market share in terms of value turnover increased to 6.1% in 9M17 for the whole market from 5.9% in 9M16. Share of value turnover for local investors likewise increased during the same period to 12.8% from 12.1%.

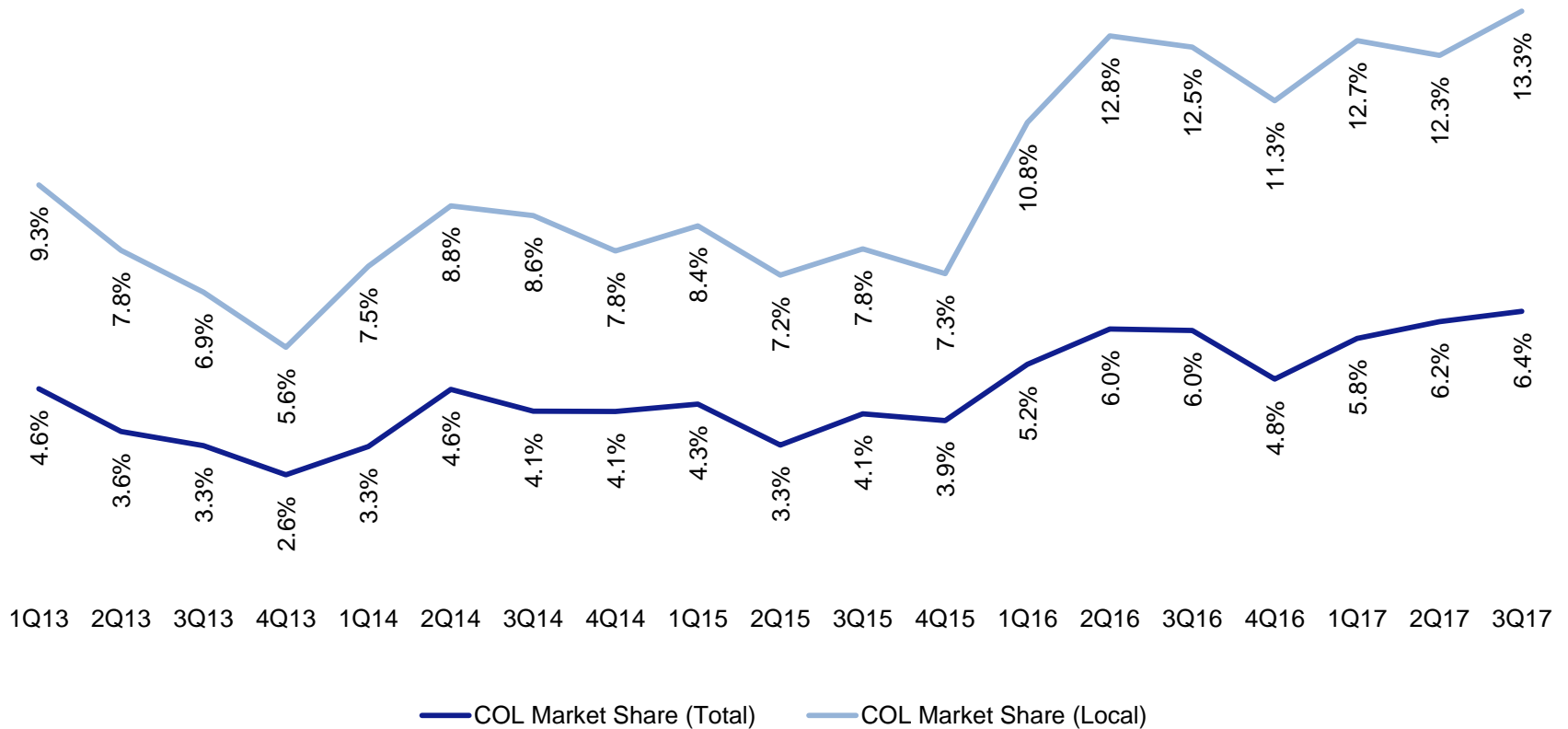
In 3Q17, COL's market share in term of value turnover reached a new record high of 6.4% for the whole market and 13.3% for local investors.

COMPARATIVE PERFORMANCE (COL VS. PSE)

	9M16	9M17	Change	
			Amount	%
PSE Ave. Daily T/O (PhpMil)	8,064.5	8,351.6	287.1	3.6%
COL Ave. Daily T/O (PhpMil)	943.6	1,026.2	82.6	8.8%
COL Market Share (Total)	5.9%	6.1%		
COL Market Share (Local)	12.1%	12.8%		
PSE Ranking	5	5		
No. of Transactions – PSE ('000)	26,673.1	26,993.2	320.0	1.2%
No. of Transactions – COL ('000)	5,731.6	5,719.2	(12.3)	-0.2%
COL Market Shares	21.5%	21.2%		
PSE Ranking	1	1		

Market Share Reaches New Record

COL MARKET SHARE (VALUE T/O)



ROAE flat at 31.2%

9M17 operating profits grew 7.4% to Php440.0 Mil driven by the strength of Philippine operations and lower losses from HK operations.

Operating profits from the Philippines were up by 6.7% to Php450.3 Mil due to the growth of revenues while operating losses from HK fell by 15.9% to Php10.3Mil.

ROAE was flat at 31.2%.

SELECTED FINANCIAL INDICATORS

	9M16	9M17	Change	
			Amount	%
Operating Profits				
Philippines	422.0	450.3	28.3	6.7%
Hong Kong	(12.2)	(10.3)	1.9	-15.9%
Total	409.8	440.0	30.2	7.4%
Operating Margins				
Philippines	64.9%	64.4%		
Hong Kong	-145.5%	-89.6%		
Consolidated	62.2%	61.9%		
EBITDA Margin				
Philippines	64.3%	64.5%		
Hong Kong				
Consolidated	62.2%	61.9%		
Net Margin				
Philippines	48.0%	47.8%		
Hong Kong				
Consolidated	48.0%	47.8%		
Asset Turnover				
Philippines	9.6%	9.3%		
Hong Kong				
Consolidated	9.6%	9.3%		
Asset/Equity				
Philippines	7.4	7.2		
Hong Kong				
Consolidated	7.4	7.2		
ROAE				
Philippines	31.1%	31.2%		
Hong Kong				
Consolidated	31.1%	31.2%		

Strong and Highly Liquid Balance Sheet

COL remained cash rich and debt free.

Total assets were up 20.7% to Php10.7 Bil as cash & cash equivalents increased by Php1.3 Bil to Php8.4 Bil and as total receivables increased by 15.4% to Php1.4 Bil.

The double digit growth in receivables was largely due to the increase in margin lending from Php691.7 Mil as of end 2016 to Php1.0 Bil as of end September.

Net PPE increased by 22.9% as COL spent Php32.5 Mil on capital expenditures in line with efforts to improve service quality and expand client reach.

CONSOLIDATED BALANCE SHEET (IN PHP MIL)

	12/31/16	9/30/17	Change	
			Amount	%
Cash & equivalents	7,360.5	8,758.7	1,398.1	19.0%
Receivables	1,188.6	1,372.2	183.5	15.4%
Other current assets	19.5	40.6	21.1	108.5%
LT investments	200.0	200.0	0.0	0.0%
HTM investments	0	203.0	203.0	-
PPE – net	62.5	76.9	14.3	22.9%
Other non-current assets – net	75.7	96.4	20.7	27.4%
TOTAL ASSETS	8,906.8	10,747.7	1,840.9	20.7%
Trade payables	7,353.3	9,164.3	1,811.1	24.6%
Other current liabilities	103.2	74.0	(29.3)	-28.3%
Non-current liabilities	26.8	26.8	0.0	0.0%
Total Liabilities	8,906.8	9,265.1	1,781.8	23.8%
Total Stockholders' Equity	1,423.5	1,482.6	59.1	4.1%
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	8,906.8	10,747.7	1,840.9	20.7%
BVPS	2.99	3.11		

Strong and Highly Liquid Balance Sheet

Trade payables were up by 24.6% to Php9.2 Bil largely due to the increase in clients' cash position from Php6.1 Bil as of end 2016 to Php7.3 Bil as of end September.

Stockholders' equity increased 4.1% to Php1.45Bil due to the booking of Php339.7 Mil worth of profits partly offset by the payment of Php285.6 Mil worth of cash dividends.

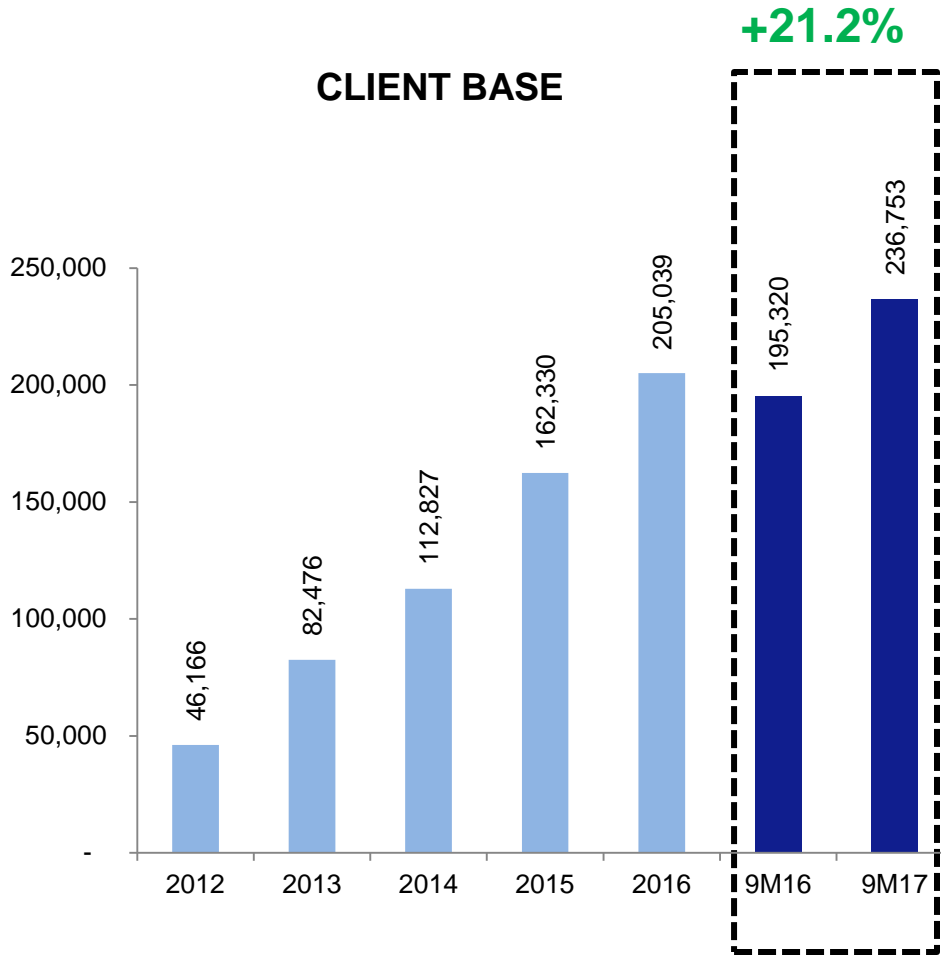
BVPS increased slightly to Php3.11/sh.

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Receivables	1,188.6	1,372.2	183.5	15.4%
Other current assets	19.5	40.6	21.1	108.5%
LT investments	200.0	200.0	0.0	0.0%
HTM investments	0	203.0	203.0	-
PPE – net	62.5	76.9	14.3	22.9%
Other non-current assets – net	75.7	96.4	20.7	27.4%
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Sustained Customer Growth

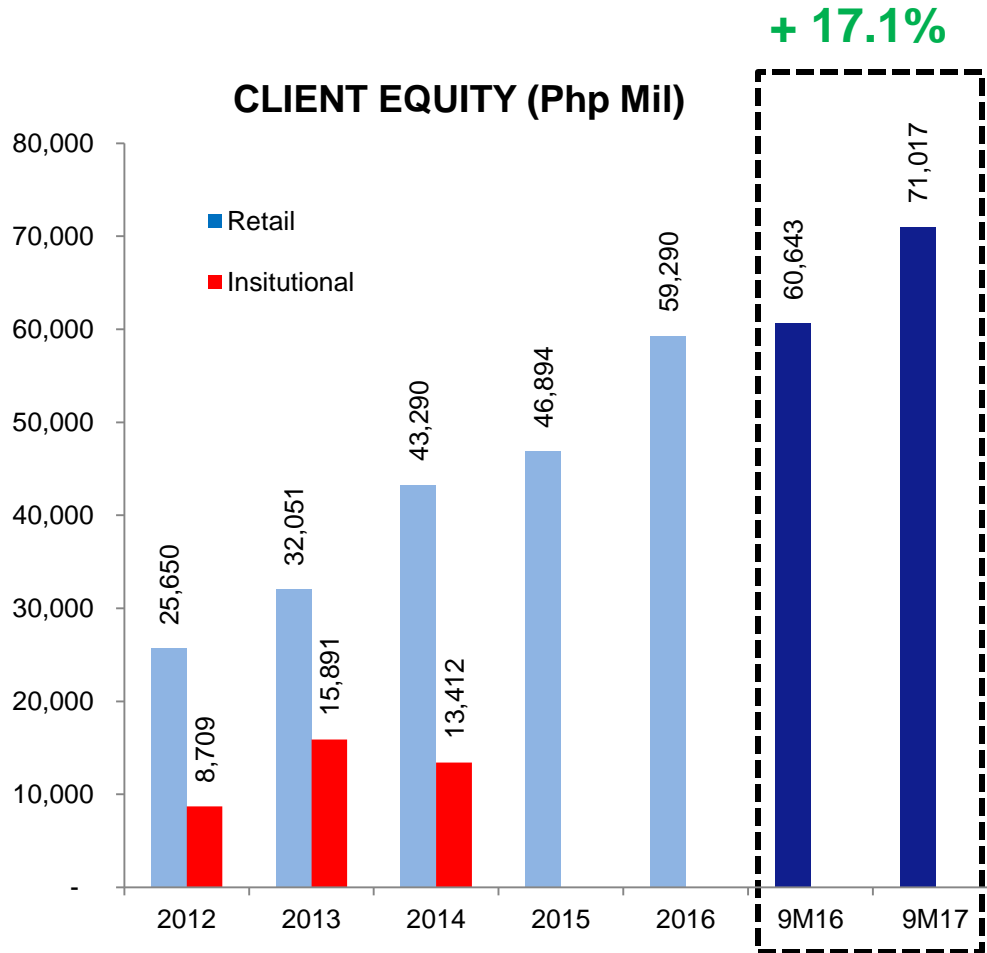
CLIENT BASE



COL's client base grew by 21.2% Y/Y to 236,753 as of end September 2017.

Average monthly additions remained strong at 3,524 for the YTD period.

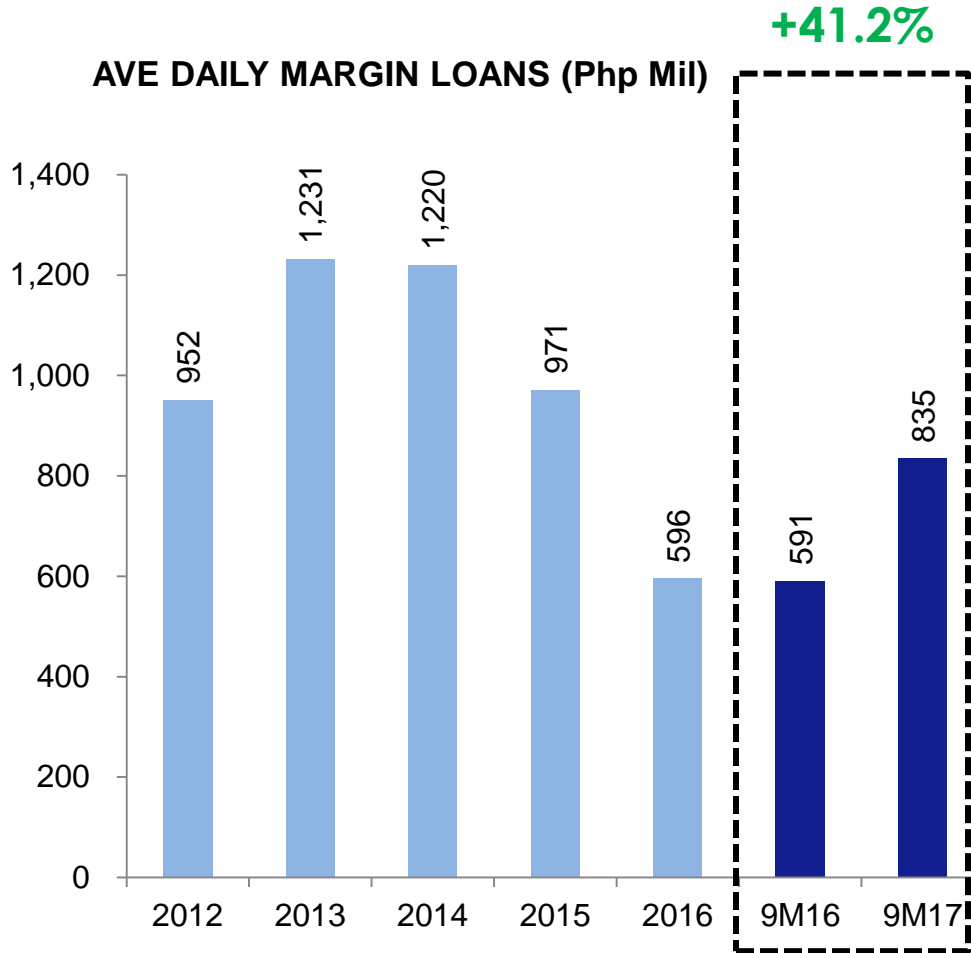
Growing Client Equity



Client equity rose by 17.1% Y/Y to Php71.1 Bil.

Net new flow from retail clients reached Php4.6 Bil in 9M17.

Margin Loans Recover



Average daily margin loans recovered by 41.2% to Php835 Mil Y/Y.

As of end September, the total number of approved margin accounts reached 1,173, up 3.8% Y/Y.

27.5% of approved margin accounts utilized their margin lines in 9M17, down from 29.5% in 9M16. In terms of value of margin granted, 15.5% was utilized in 9M17, up from only 11.6% in 9M16.

Highlights

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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 VS AUA (IN PHPMIL, ACC TO TYPE OF FUND)

Type of Fund	Total Sales**	% Total	Total AUA*	% Total
Money Market	80.7	4.4%	85.1	4.1%
Bond Fund	114.4	6.3%	114.4	7.4%
Balanced Fund	120.9	6.6%	126.0	7.3%
Equity Fund	1,505.4	82.7%	1,656.9	81.2%
Total	1,821.3		1,982.4	

*AS OF END SEPT 2017

**SINCE LAUNCH

Update on Fund Distribution Business

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

COL's performance was strong relative to the industry.

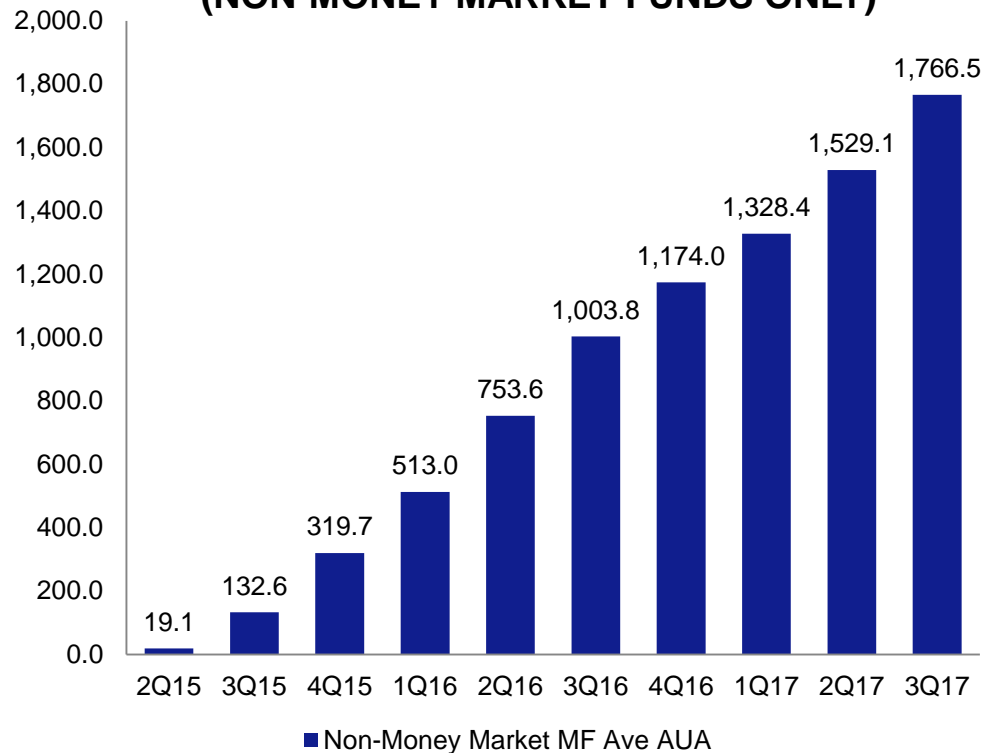
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
COL	150.9	203.6	192.9	209.9	103.4	110.4	192.3
Industry	1,181.6	(2,350.1)	(2,267.5)	3,125.6	124.9	(2,212.5)	739.1
% Share	12.8%	-	-	6.7%	82.8%	-	26.0%

SOURCE: PIFA, COL ESTIMATES

Update on Fund Distribution Business

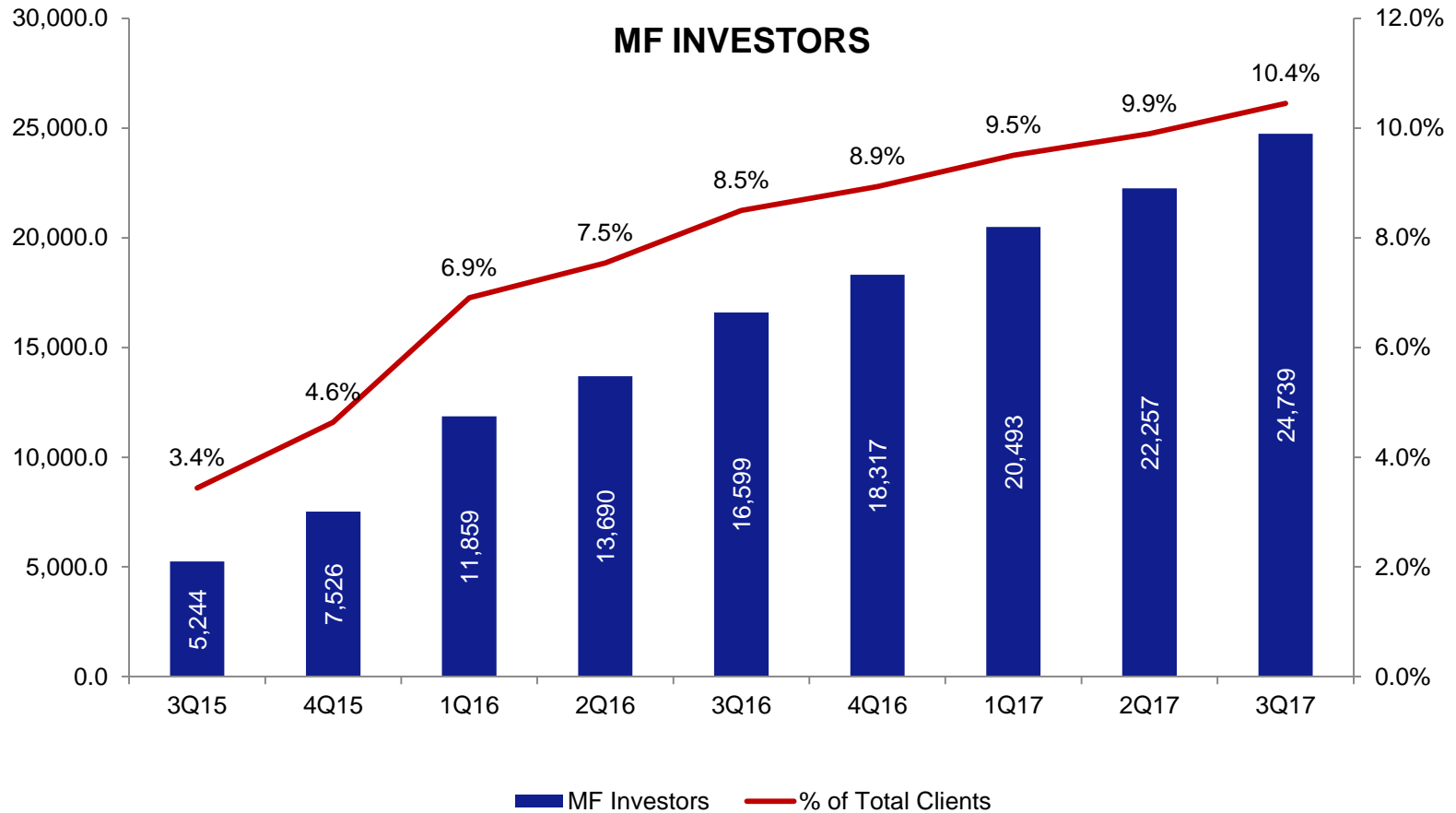
Trailer fee still up due to significant growth in average AUA on a year-on-year basis.

STRONG GROWTH IN AVERAGE AUA (NON-MONEY MARKET FUNDS ONLY)



SOURCE: PIFA, COL ESTIMATES

Update on Fund Distribution Business



Expanding Reach Through Investor Centers



COL Makati

2014

2016



COL Cebu
COL Ilocos

2017



COL Davao



Thank You

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